

Home and Contents Insurance

Your guide to Premiums, Excesses,
Discounts and Claim Payments



Your guide to Premiums, Excesses, Discounts and Claim Payments

The Premiums, Excesses, Discounts and Claim Payments Guide (**PED Guide**) is designed to provide you with additional information about how we calculate premiums and determine excesses and discounts for the policy. You should read this Guide together with our Home and Contents Insurance Product Disclosure Statement (**PDS**) dated 24 May 2013.

This guide is relevant to you if your policy has a commencement on or after 11 December 2017 or a renewal effective date on or after 5 February 2018.

About your premium

The premium is the amount you pay us for this insurance. It reflects what we consider is the likelihood of you making a claim, other factors related to our cost of doing business. The premium you pay includes any discounts we give you, as well as any applicable stamp duty, goods and services tax (GST), charge and levy. Your certificate of insurance will show you how much you have to pay.

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 these factors combine to affect your premium will differ from person to person.

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;
- Other commercial factors.

When determining your renewal premium, we also consider how much you paid previously. As such we may limit movements up or down.

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

Factor
The address of the insured home or unit
Sum insured
The type of insurance you have chosen (home, contents or both)
The level of cover you have chosen (Classic, Classic Extras or Platinum)
Any optional covers you have chosen
Construction material and other characteristics of the home or unit
Age of the oldest named insured
How the home or unit is occupied
The standard excess you choose

Paying by the month

Your premium will be higher if you choose to pay by the month, rather than annually.

Premium discounts

Discounts are also a factor that can affect your premium. 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. Discounts are not applied to the Domestic Workers Compensation Optional Cover.

The main discounts we offer are:

- Multi-policy discount;
- Home and Contents combined discount;
- Seniors card discount.

From time to time we might also 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.

Multi-policy discount

A multi-policy discount rewards you with a discount off your premium for holding three or more eligible paid personal insurance policies with us. There must be a common mailing address and the person(s) seeking the discount must be nominated as an insured with the same name on each eligible policy. If you take out a new policy and qualify for the multi-policy discount, you are eligible to receive the discount on that new policy immediately and on your other existing policies from their next renewal date, provided you still qualify. If you believe you are eligible for the multi-policy discount but it is not shown on your certificate of insurance, please contact us. Eligible personal insurance policies are home, contents, car, motorcycle, caravan, boat. A GIO NSW CTP Green Slip and a GIO ACT CTP insurance policy count as eligible policies, but the premium for these policies cannot be discounted.

Home and Contents combined discount

If you insure your home and contents for the same property under the same policy with us you will be rewarded with a discount off your combined premium.

If your unit is in a building insured by GIO Strata Insurance and you let us know, we reward you with a discount off your GIO Contents Insurance for the contents you own in that unit.

Seniors Card discount

We reward you with a discount for being a seniors card holder.

Government taxes and charges

After we have calculated the amount to cover your home and/or contents insurance policy any applicable stamp duty, GST, charge and levy are then applied.

Your excess

The different types of excesses are:

Standard excess

You can choose a standard excess from the levels we offer. The levels we offer usually fall between \$0 and \$5,000.

Additional excess

In some circumstances, an additional excess may apply based on our assessment of the risk. This can be due to reasons such as claims history, location and building type.

Motor burnout excess

An excess of \$100 will apply if you make a claim under the optional cover for motor burnout.

Portable valuables excess

The excess that applies for a claim made under portable valuables cover is \$100.

Injury to pet dogs and cats excess

An excess of \$100 will apply if you make a claim under the optional cover for injury to your pet dogs and cats.

Earthquake and tsunami excess

An excess of \$300 will apply if you make a claim for loss or damage as a result of an earthquake or tsunami.

Unoccupied excess

The unoccupied excess of \$1,000 will apply, if, at the time of the incident covered by your policy, the home or unit has been unoccupied for more than **60** continuous days.

Claim payments

The following examples are designed to illustrate how a claim payment might typically be calculated. The examples do not cover all scenarios or all benefits and do not form part of your policy terms and conditions. They are a guide only. GIO always determines real claim payments on an individual basis, after we have assessed each claim. You should read the PDS and your certificate of insurance for full details of what we cover as well as what policy limits, conditions and exclusions apply.

Notes about the claim payment examples:

- all examples imply that an excess is payable. When you make a claim we will choose whether to deduct the applicable excesses from the amount we pay you or direct you to pay the excesses to us or to the appointed repairer or supplier;
- the excess in the examples may not be the same as your excess. Refer to your certificate of insurance for your excesses;
- all amounts are shown in Australian dollars and are GST inclusive;
- all examples assume that the policy holder is not registered for GST.

Example 1 – Total loss home claim

Your home is insured under Classic Extras cover and has a sum insured of \$380,000. Under the Classic Extras cover, the safety net home protection option is automatically included. Your standard excess for home is \$500.

Your city has been hit by a major storm and your home was one of the many that were destroyed during the event. The scale of the event has caused an immediate surge in demand for building materials and tradespersons resulting in higher rebuilding costs.

We assess the cost to rebuild the home now is \$440,000. To remove debris and clear the site will cost an extra \$40,000.

Adjustment to your home sum insured		Additional information
Home sum insured	\$380,000	Your sum insured is not enough to cover the cost to rebuild your home.
Safety net home protection option	$\$380,000 \times 25\% =$ up to \$95,000	Safety net home protection option provides up to 25% extra home cover if your home sum insured falls short of rebuilding costs. See page 61 of the PDS.
Home sum insured + safety net home protection option	$\$380,000 +$ \$60,000 \$440,000	This is now enough cover to rebuild your home.

How much we pay		Additional information
Cost to rebuild your home	\$440,000	We pay this amount to the builder. The cost to rebuild is paid from the full amount of your home sum insured of \$380,000 plus \$60,000 provided under safety net home protection option.
Removal of debris	\$40,000	We pay this amount directly to the contractor. Under the removal of debris additional feature we pay up to 15% of your home sum insured of \$380,000. This amount is paid in addition to the home sum insured.
Total amount claimable	\$480,000	
Excess payable	-\$500	
Total claim amount paid	\$479,500	

Example 2 – Accidental damage to contents

You currently have a Classic Extras contents policy which automatically includes accidental damage for your home contents. You have insured your home contents for \$60,000. A new entertainment unit for your television is delivered to your house. When carrying your television, which has a retail replacement value of \$3,500 across the lounge room to put on the new entertainment unit, you stumble on a floor rug and drop the television on the timber floor. The television no longer works. A standard excess of \$500 was selected for this policy.

How much we pay		Additional information
Television	\$3,200	As the television cannot be repaired we decide to replace the television with a new one that is equivalent to what you had prior to the accidental damage, rather than offer you a cash settlement. We arrange with a supplier to deliver and install the replacement television to you. Although the retail price of the television is \$3,500 it costs us \$3,200 to replace the television for you through our supplier.
Excess payable	-\$500	
Total claim amount paid	\$2,700	

Example 3 – Portable valuables – specified items claim

You currently have a Classic contents policy and you have insured your engagement ring as a listed item under portable valuables – specified items. The sum insured for your engagement ring is \$10,000. While you were swimming at your local beach your ring slipped off your finger and you are unable to find it and it has not been handed into police. Your portable valuables – specified items excess is \$100.

How much we pay		Additional information
Cost to replace your ring	\$8,000	We are able to replace your lost ring new for old within your sum insured. Due to our supplier arrangements we are able to source the same item at less cost. A valuation of your new item will be provided.
Excess payable	-\$100	
Total claim amount paid	\$7,900	

Note: As we have replaced your engagement ring this listed item is removed from your policy and there is no premium refunded. If you want to cover the replacement ring then you will need to apply for new cover.

Example 4 – Portable valuables – unspecified items claim

You currently have a Classic Extras contents policy. While bushwalking you accidentally drop your digital camera and it is damaged. Unfortunately the camera cannot be repaired and needs to be replaced. We assess the cost to replace the digital camera is \$1,200. Your portable valuables – unspecified items excess is \$100.

How much we pay		Additional information
Camera	\$1,000	Classic Extras automatically includes \$4,000 of cover for portable valuables - unspecified items. Although the cost to replace your camera is \$1,200 the most you can claim under portable valuables – unspecified items for any one item is \$1,000.
Excess payable	-\$100	
Total claim amount paid	\$900	

Example 5 – Partial loss – Motor burnout option

You have insured your home under Classic cover and have chosen the motor burnout option. Your ducted air conditioning unit motor has suddenly stopped working. We appoint our assessor who inspects the motor and reviews your repairer's report. The assessor confirms the motor has burnt out. The age of the motor in the ducted air conditioning unit is 5 years old. The motor burnout excess is \$100. The standard excess does not apply.

How much we pay		Additional information
Cost to replace the motor	\$800	Under the option we cover the cost to either replace or repair the motor in the ducted air-conditioning unit. In this case the motor requires replacement and we agree with the cost of replacement from your repairer. You arrange for your repairer to proceed with replacement.
Excess payable	-\$100	
Total claim amount paid	\$700	

Example 6 – Partial loss claim

You have insured your home under Platinum cover with a sum insured of \$470,000. Your home standard excess is \$500. A severe storm with gusty winds results in a tree falling onto your roof and damaging it significantly.

We assess that your home is not liveable until repairs are completed and you and your family move into temporary accommodation for 4 weeks while repairs are undertaken. This temporary accommodation costs \$2,000.

We assess the repairs to the roof will cost \$89,000.

How much we pay		Additional information
Cost to repair your home	\$89,000	We pay this amount directly to the builder.
Temporary accommodation costs	\$2,000	We pay temporary accommodation costs up to 10% of your home sum insured of \$470,000. The costs are paid in addition to the sum insured. We normally reimburse you for these costs.
Total amount claimable	\$91,000	
Excess payable	-\$500	
Total claim amount paid	\$90,500	

Example 7 – Legal liability home cover

Your home and contents are insured under the Classic level of cover. During a dinner party at your home one of your guests was walking down the stairs, the area was dimly lit causing your guest to slip down the stairs and injure their ankle and lower back. Your guest has made a claim for their out of pocket expenses and loss of wages for a 6 week period for the amount of \$14,800. We investigate and assess this claim and reach a decision that you are legally liable for this claim and we determine the amount payable. Our decision may differ with the factual circumstances of each claim. Your standard excess for home is \$1,000.

How much we pay		Additional information
Total amount of claim	\$14,800	We pay this amount to the injured party.
Excess payable	-\$1,000	
Total claim amount paid	\$13,800	

Example 8 – Legal liability contents cover

You have a Classic Extras contents policy. While riding a push bike along the road, your son who lives with you accidentally rode into a parked car causing scratches to the vehicle. The cost to repair the damage to the vehicle is \$2,000. We investigate and assess this claim and reach a decision that you are legally liable for this claim and we determine the amount payable. Our decision may differ with the factual circumstances of each claim. Your standard excess for contents is \$500.

How much we pay		Additional information
Repair cost to the vehicle	\$2,000	We pay this amount to the owner of the damaged vehicle.
Excess payable	- \$500	
Total claim amount paid	\$1,500	

Example 9 – Partial loss – Platinum contents

You have a Platinum contents policy with a sum insured of \$150,000 which automatically includes cover for your contents away from the home. Whilst waiting for the bus at your local bus stop you forget and leave your shopping bag containing your new dress, your mobile phone and sunglasses under the bench seat. When you returned to the bus stop you were unable to locate the bag and it has not been handed to the bus company or police. Your contents standard excess is \$500.

How much we pay		Additional information
Cost to replace new dress	\$180	We decide to settle your claim through a combination of replacement through suppliers, store credit, stored value cards and cash.
Cost to replace mobile phone	\$800	
Cost to replace sunglasses	\$300	
Total amount claimable	\$1,280	
Excess payable	-\$500	
Total claim amount paid	\$780	

