

Strata Insurance

Your guide to Premiums, Excesses,
Discounts and Claim Payments



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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 Strata Insurance Product Disclosure Statement (**PDS**) dated 24 May 2013.

This guide is relevant to you if your policy has a commencement date on or after 03/09/13 or renewal effective date on or after 13/10/13.

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 and any discounts we give you, stamp duty, goods & services tax (GST) and fire services levy (FSL) if applicable in your state or territory. 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 depending on the building to be insured.

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 building
Sum insured
Construction material and other characteristics of the building
The standard excess you choose
Type of insurance you have chosen (Building or Building and Contents)

Paying by the month

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

Premium Discounts

There are no standard discounts available under this product.

From time to time we might offer a discount 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 discount that may be offered can change or be withdrawn.

Government taxes and charges

Strata insurance policies are subject to stamp duty, imposed by state and territory governments, GST and a FSL if applicable.

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.

Water damage excess

An excess of **\$200** will apply if you make a claim for water damage caused by leaks in pipes and water containers.

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.

Theft or burglary by tenants or their guests excess

Refer to page 48 of the PDS.

Malicious acts or vandalism by tenants or their guests excess

Refer to page 48 of the PDS.

Unoccupied excess

An unoccupied excess of **\$1,000** will apply, if, at the time of the incident covered by your policy, the building 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;
- ▶ 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 – Building claim

Your building has a sum insured of \$950,000. Your standard excess is \$1,000. There is a fire that starts from a heater in one of the units. The fire destroys the building and we assess that it is a total loss.

How much we pay		Additional information
Building costs	\$900,000	We decide to rebuild your building new for old and it costs us \$900,000. We pay the builder \$900,000.
Removal of debris*	\$40,000	Before rebuilding commences it costs \$40,000 to demolish and remove the damaged structure and we assess these costs to be reasonable. The most we will pay under the additional feature 'Removal of debris' is 10% of the building sum insured. We pay \$40,000 directly to the builder.
Architect's fee	\$18,000	We decide it is necessary to engage an architect to design your replacement building. Under the additional feature 'Other repair/rebuilding costs' we will pay up to the sum insured for your building less any amount we have already agreed to pay for loss or damage under any other part of your policy for the same insured incident. We have already agreed to pay \$900,000 to rebuild your building. There is still \$50,000 of the sum insured available to cover other costs involved with rebuilding. The architect's fees are \$18,000 and we pay this directly to the architect.

How much we pay		Additional information
Total amount claimable	\$958,000	
Excess payable	- \$1,000	
Total claim amount paid	\$957,000	

*This additional feature is paid in addition to your building sum insured.

Example 2 – Partial loss – Building claim

Your building has a sum insured of \$800,000. A leaking pipe in the building causes damage to the ceiling in one of the units. We assess repairing the damage to the ceiling will cost \$4,000. The cost to repair the leaking pipe is \$400. Your standard excess is \$100. The water damage excess of \$200 will also apply.

How much we pay		Additional information
Cost of repairs to the ceiling	\$4,000	We pay these costs to the builder.
Cost to repair the pipes	\$400	The most you can claim for repairs to leaking pipes in any one period of insurance under the additional feature 'Exploratory costs to find leaks from pipes and water containers' (see page 26 of the PDS for details) is \$500.
Total amount claimable	\$4,400	
Less excess	-\$300	
Total claim amount paid	\$4,100	

Example 3 – Voluntary workers cover

Your building is insured and a standard excess of \$100 applies. You have authorised one of the unit owners to complete some gardening work at the insured address. While gardening, the unit owner slips and seriously injures his back. The injury has resulted in a total disability and they are unable to return back to work to carry out their usual occupation. The unit owner's gross weekly wage is \$1,200.

How much we pay		Additional information
Loss of wages	\$40,000	The most we pay under this additional cover for each incident is \$40,000 (see pages 34 to 35 of the PDS for details).
Excess payable	-\$100	
Total claim amount paid	\$39,900	

Example 4 – Legal Liability

Your building is insured and a standard excess of \$100 applies. A visitor to a unit in the building was descending down stairs within the common area of the unit complex. The visitor tripped over loose carpeting on the stairs causing them to fall heavily. The visitor 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.

How much we pay		Additional information
Total amount of claim	\$14,800	We pay this amount to the injured party.
Less excess	-\$100	
Total claim amount paid	\$14,700	

