

# COMMINSURE HOME INSURANCE PREMIUM, EXCESS AND DISCOUNT GUIDE

This document provides you with information to help you understand how your total premium has been calculated, discounts that are available and excess options.

The information contained in this document is current as of 18/02/2013 and should be read with the CommInsure Home Insurance Product Disclosure Statement dated 18/02/2013 and your Certificate of Insurance. This guide applies to policies commencing or renewing on or after 25/03/2013.

For full details, including exclusions, claim limits and the terms and conditions of cover, please refer to the Product Disclosure Statement (PDS) available on our website.

If you have any questions, please contact us on **13 24 23**.

We offer two package types under the CommInsure Home Insurance policy:

## Residential Home Package

Provides cover for any individual or any combination of the following:

- your building;
- your contents;
- your portable contents.

## Investment Home Package

Provides cover for any individual or any combination of the following:

- your building;
- your contents.

Cover for your portable contents can also be purchased on its own as a standalone policy.

Your Certificate of Insurance will confirm the package type and the cover(s) you have selected. This is issued to you after you purchase a policy, before you renew your insurance and whenever you amend your policy. The Certificate of Insurance will confirm the total premium for the Period of Insurance or a change in premium due to any amendments to your policy throughout the Period of Insurance.

## How we calculate your premium

### Step 1 – The basic premium

We combine the rating factors and the cost of any Optional Covers you have selected to help determine the basic premium.

The basic premium reflects our view of the likelihood and potential value of a claim being made under your policy. The greater the likelihood and/or potential value of a claim, the higher the basic premium charged. We calculate the likelihood of you making a claim and the potential value of your claim by assessing certain significant factors based on our claims experience. The significance of each factor we use can change and how they are combined to derive a premium may differ from one policy to another.

### Step 2 – Discounts

We apply any discounts applicable to the basic premium.

If you are eligible for a discount it will be stated on your Certificate of Insurance. If you are eligible for any promotional offers a separate communication will be sent to you to confirm this.

Cover selected	Combined policy discount
Residential Home Package	If you purchase combined building and contents on the same policy you will receive up to 10% discount off the basic premium.*
Investment Home Package	If you purchase combined building and contents on the same policy you will receive up to 5% discount off the basic premium.*

\*This discount cannot be used in conjunction with any other discount or promotional offer and cannot be added retrospectively. Minimum premiums may come into force and reduce the extent to which discounts are applied. We may elect to remove this discount at any time from a policy in which case it will be removed at the renewal date of the policy.

Cover selected	Internet discount	
Residential Home Package	If you apply online and you purchase building or contents you will receive up to 10% discount off the basic premium.*	If you apply online and you purchase combined building and contents on the same policy you will receive up to 15% discount off the basic premium.*
Investment Home Package	If you apply online and you purchase building or contents you will receive up to 5% discount off the basic premium.*	If you apply online and you purchase combined building and contents on the same policy you will receive up to 7.5% discount off the basic premium.*

\*This discount cannot be used in conjunction with any other discount or promotional offer and cannot be added retrospectively. Minimum premiums may come into force and reduce the extent to which discounts are applied. We may elect to remove this discount at any time from a policy in which case it will be removed at the renewal date of the policy.

For Commonwealth Bank package programs, for example Wealth Package, please refer to the information you received when you purchased the package. More information can be found at [commbank.com.au](http://commbank.com.au)

If you have selected Domestic Workers' Compensation Cover, no discounts will be applied to this Optional Cover.

**Correction – added 14/11/2014: If you have selected the Investment Home Package, no discounts will be applied to Loss of Rent and Loss of Rent Extra. If you have any questions about your discount, or this correction notice, please contact us on 13 24 23.**

### The basic premium has now been determined.

Home insurance policies are subject to Stamp Duty, the Goods and Service Tax (GST) and in some states, a Fire Service Levy (FSL) or Fire and Emergency Services Levy (FESL). Where a charge applies to your policy the amount will be stated on your Certificate of Insurance.

#### Step 3 - Fire and Emergency Services Levy/ Fire Service Levy

The Fire and Emergency Services Levy (FESL) is a charge imposed on insurers by the NSW State Government to cover the cost of running the NSW Fire Brigade.

The Fire Services Levy (FSL) is a charge imposed on insurers by the Victorian State Government to cover the cost of running the Metropolitan Fire Brigade (MFB) and Country Fire Authority (CFA) services in Victoria. If you have selected Loss of rent extra, FSL will not apply to this Optional Cover.

FSL/FESL	State or Territory	Rate
The FESL/FSL is charged on top of the basic premium.	NSW	17%
	VIC (MFB)	12%
	VIC (CFA)	10%

#### Step 4 – Goods and Service Tax (GST)

The GST is a Federal Government Tax. This indirect tax is levied at a rate of 10%.


GST	State or Territory	Rate
GST is charged on top of the basic premium and the FSL/ FESL (where applicable).	ALL	10%

#### Step 5 – Stamp Duty

Stamp Duty is a State Government charge applied to contracts of insurance. Rates vary across the Australian States and Territories. If you have selected Domestic Workers' Compensation Cover, Stamp Duty will not apply to this Optional Cover.

Stamp Duty	State or Territory	Rate
Stamp duty is charged on top of the basic premium, the FESL/FSL (where applicable) and the GST.	NSW	9%
	ACT	8%
	QLD	7.5%
	VIC	10%
	TAS	10%

Stamp Duty	State or Territory	Rate
Stamp duty is charged on top of the basic premium, the FESL/FSL (where applicable) and the GST. (continued)	SA	11%
	WA	10%
	NT	10%

 **The total premium has now been determined.**

## Charges on CommInsure Home Insurance premiums

Please refer to the below examples on how charges on CommInsure Home Insurance premiums are applied. All examples are for illustration purposes only. Total premiums are calculated in accordance with the terms of the policy and the relevant requirements.

New South Wales	Charges	Premium
Basic premium		\$100.00
FESL	17%	\$17.00
GST	10%	\$11.70
Stamp duty	9%	\$11.58
<b>Total Premium</b>		<b>\$140.28</b>

Victoria (Metropolitan Fire Brigade)	Charges	Premium
Basic premium		\$100.00
FSL	12%	\$12.00
GST	10%	\$11.20
Stamp duty	10%	\$12.32
<b>Total Premium</b>		<b>\$135.52</b>

Victoria (Country Fire Authority)	Charges	Premium
Basic premium		\$100.00
FSL	10%	\$10.00
GST	10%	\$11.00
Stamp duty	10%	\$12.10
<b>Total Premium</b>		<b>\$133.10</b>

Australian Capital Territory	Charges	Premium
Basic premium		\$100.00
GST	10%	\$10.00
Stamp duty	8%	\$8.80
<b>Total Premium</b>		<b>\$118.80</b>

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Queensland	Charges	Premium
Basic premium		\$100.00
GST	10%	\$10.00
Stamp duty	7.5%	\$8.25
Total Premium		\$118.25

South Australia	Charges	Premium
Basic premium		\$100.00
GST	10%	\$10.00
Stamp duty	11%	\$12.10
Total Premium		\$122.10

Tasmania, Western Australia and Northern Territory	Charges	Premium
Basic premium		\$100.00
GST	10%	\$10.00
Stamp duty	10%	\$11.00
Total Premium		\$121.00

There are no taxes, levies or duties applied to CommInsure Home Insurance premiums for Norfolk Island policies.

## Excesses

An excess is an amount you must contribute when we agree to pay a claim. All excess amounts that apply to your policy are stated on your Certificate of Insurance. There is no excess payable for Domestic Workers' Compensation or legal liability claims.

Where an excess applies we will:

- deduct the excess from any settlement amount we pay directly to you (or your credit provider); or
- deduct the excess from any invoice we receive from a repairer, which will mean that you will be responsible for paying the amount of the excess directly to the repairer; or
- require you to pay the excess directly to us prior to the settlement of your claim.

The following excess options are available. You may be able to reduce your premium by selecting to pay a higher excess in the event of a claim.

Cover selected	Excess
Residential Home Package	\$0*, \$100, \$200, \$300, \$500, \$750, \$1,000, \$2,000, \$5,000
Investment Home Package	\$100, \$200, \$300, \$500, \$750, \$1,000, \$2,000, \$5,000
Portable Contents only	\$100 (Fixed excess)

\* \$0 excess option is only available for policyholders aged 50 years old and over.