

# HOME INSURANCE PREMIUM, EXCESS, DISCOUNTS & HELPLINE BENEFITS GUIDE



Depending where your Home Insurance is issued, this NRMA Home Insurance Premium, Excess and Discount Guide should be read with and forms part of either:

- For Home Insurance, the Product Disclosure Statement and Policy Booklet (PDS), prepared on 28 February 2021. This guide applies to policies issued in New South Wales, the Australian Capital Territory or Tasmania with a commencement date on or after 28 October 2021 or with a renewal effective date on or after 30 November 2021.\*
- For Home Insurance, the Product Disclosure Statement and Policy Booklet (PDS), prepared on 28 February 2021. This guide applies to policies issued in Queensland with a commencement date on or after 28 October 2021 or with a renewal effective date on or after 30 November 2021.\*

We provide two levels of cover in the PDS:

- Home – provides our standard level of cover
- Home Plus – provides our higher level of cover.

This guide applies to Home and Home Plus policies and provides further information about the cost of your insurance and excesses you may need to pay if you make a claim.

\*This guide also applies to Victorian customers who are identified as being eligible in limited circumstances. Call us on 132 132 for information about policies issued outside New South Wales, the Australian Capital Territory, Tasmania, or Queensland.

## 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 and considering the following:

- Pricing factors
- No Claim Bonus
- Policy options
- Loyalty Discount
- Minimum and maximum premium, 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 based on a number of factors, including our updated modelling, based on your circumstances and wider insurance trends.

## PRICING FACTORS

Our experience shows us that there are a number of factors that are good indicators in determining risk, when calculating what your premium should be, for the cover we provide under the policy. We call these pricing factors.

Some pricing factors are more significant than others, and the impact may vary according to your circumstances. For home insurance policies, pricing factors that may be taken into account in determining your premium include a combination of some or all of the following:

- policy type
- level of cover chosen – for example, Home or Home Plus
- optional coverages or benefits you have chosen
- the sum insured you have chosen
- any excesses or special conditions that apply
- the construction materials of your home and when your home was built
- the address of your home
- the flood risk of your home
- how your home is occupied – for example, owner or renter
- the type of alarm installed
- how you choose to pay your premium
- your previous year premium if your policy is a renewal, and
- features including age and claims history of the owners

**This is not an exhaustive list of our pricing factors.**

We collect information in relation to these pricing factors from you and other sources and we use our data, models, and experience to assess how important each pricing factor is for your policy. 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.

## NO CLAIM BONUS

We give you a No Claim Bonus which ranges from 0% to 25% to reward you for your good claims history. Once you reach 25% No Claim Bonus you will also receive associated privileges.

A different No Claim Bonus may apply to each policy that you hold with us. When you first take out each policy, we calculate your policy's No Claim Bonus level based on:

- claims history of you and any other policy holders, and
- number of years you and any other policy holders have held home insurance for.

Your current Certificate of Insurance will show any No Claim Bonus and any benefits that have been applied to your policy. The way in which your policy's No Claim Bonus is applied to your premium is set out in the 'How we calculate your Home premium' section of this guide on pages 4 - 5.

THE NO CLAIM BONUS LEVELS ARE:	
25%	<p><b>Claim Free Privilege Life</b> status is achieved once you have held Claim Free Privilege Plus status for 3 claim free periods. <b>Claim Free Privilege Life</b> gives you No Claim Bonus Protection For Life.</p> <p><b>Claim Free Privilege Plus</b> status is achieved once you have held Claim Free Privilege status for 1 claim free period. <b>Claim Free Privilege Plus</b> gives you free No Claim Bonus Protection.</p> <p><b>Claim Free Privilege</b> status is achieved once you have held a 20% No Claim Bonus for 1 claim free period. <b>Claim Free Privilege</b> rewards you with our highest level of 25% and the option to pay to add No Claim Bonus Protection.</p>
20%	When you first take out a policy you may qualify for either:
15%	<ul style="list-style-type: none"> <li>• a 20% No Claim Bonus – our highest level available for new policies which also comes with the option to pay to add No Claim Bonus Protection, or</li> </ul>
12.5%	<ul style="list-style-type: none"> <li>• a 0–15% No Claim Bonus.</li> </ul>
10%	
5%	You move up one discount level after each claim free period until you reach our maximum 25% No Claim Bonus.
0%	

### HOW DOES NO CLAIM BONUS WORK?

No Claim Bonus is calculated on each policy, unless your claims history does not entitle you to a No Claim Bonus. Each year at renewal, your policy's No Claim Bonus is recalculated. For each claim free period, your No Claim Bonus will move up one level, until you achieve our maximum 25% No Claim Bonus.

For each claim made since inception of your policy (for a new policy) or the date of your last renewal notice\*, your No Claim Bonus will move down one level unless:

- You have chosen to pay to add No Claim Bonus Protection to your policy and it is the first claim since inception of your policy (for a new policy) or the date of your last renewal notice\*
- You have achieved Claim Free Privilege Plus status and it is the first claim since inception of your policy (for a new policy) or the date of your last renewal notice\*, or
- You have achieved Claim Free Privilege Life status.

### WHAT IS A CLAIM FREE PERIOD?

A claim free period is the period from inception of your policy to the date of your first renewal notice\* (for a new policy) or the period between the date of your previous renewal notice\* and the date of the next renewal notice\* in which no claims are made.

### WHAT HAPPENS IF I MAKE A CLAIM WITHOUT NO CLAIM BONUS PROTECTION?

For each claim made since inception of your policy (for a new policy) or the date of your last renewal notice\* without No Claim Bonus Protection, you move down one level. For example:

- If you have 15% No Claim Bonus and made one claim, you would move down to 12.5%, and if you made two claims, you would move down to 10%.

### WHAT IS NO CLAIM BONUS PROTECTION OPTION?

If you have 20% No Claim Bonus or 25% No Claim Bonus with Claim Free Privilege status, you are eligible to pay an additional premium to protect your policy's No Claim Bonus level. This means your No Claim Bonus will not move down a level where you make one claim from inception of your policy (for a new policy) or the date of your last renewal notice\*. However, you will move down a No Claim Bonus level for each additional claim you make.

### WHAT IS FREE NO CLAIM BONUS PROTECTION?

If you have achieved Claim Free Privilege Plus status, you are awarded with free No Claim Bonus Protection. This means you will retain your Claim Free Privilege Plus status and 25% No Claim Bonus when you make one claim from inception of your policy (for a new policy) or the date of your last renewal notice\*. However, if you make two claims you will move down to our 20% No Claim Bonus and will continue to move down a level for each additional claim.

### WHAT IS FREE NO CLAIM BONUS PROTECTION FOR LIFE?

If you have achieved Claim Free Privilege Life status, your policy's 25% No Claim Bonus is locked in for the life of the policy. This means your 25% No Claim Bonus will not be affected regardless of how many claims you make and you retain your Claim Free Privilege Life status for the life of the policy.

\*You can find this date on the bottom of your renewal notice. This may be different to your policy period start date as shown on your Certificate of Insurance.

## POLICY OPTIONS

If you have any of the below policies you may add the following policy options to your policy by paying an additional premium that applies.

Buildings Insurance:

- Burn out of electric motors – fusion (automatically included with Home Plus)
- Accidental damage (automatically included with Home Plus)
- Pet lover's pack

Contents Insurance:

- Burn out of electric motors – fusion (automatically included with Home Plus)
- Accidental damage (automatically included with Home Plus)
- Valuable Contents
- Portable Contents
- Pet lover's pack.

### COST OF CHOOSING TO PAY BY THE MONTH

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.

## LOYALTY DISCOUNT

Your Loyalty Discount is based on how long you have had a relationship with us and how many eligible policies you have. The longer you maintain your continuous relationship with us and the more policies you hold, the higher the discount you could receive.

The way in which your Loyalty Discount is applied to your premium is set out in the 'How we calculate your Home premium' section of this guide on pages 4 - 5.

Refer to the following Loyalty Discount table to see what discount you will be entitled to.

YEARS OF RELATIONSHIP	25+	20-24	15-19	10-14	5-9	0-4
	12.5%	10%	7.5%	5%	2.5%	0%
POLICY COUNT	1	2	3-4	5-7	8-9	10+
	15%	12.5%	10%	7.5%	5%	2.5%

To receive a Loyalty Discount, the eligible policies must be current.

If you take out a new eligible policy the Loyalty Discount will be applied to that policy.

For your existing eligible policies any change to your Loyalty Discount generally applies from the next renewal after you qualify.

If you become eligible for an updated Loyalty Discount around the time your existing policies are due for renewal, the updated Loyalty Discount may not be applied to those renewing policies (the updated discount will be applied on the subsequent renewal).

You should contact us if you believe you are eligible for a higher Loyalty Discount on a policy and it is not noted on your Certificate of Insurance.

### LIST OF BUSINESS

To help ensure we are taking into account all of your policies and you are receiving the maximum discount you can check all your policies via your online account [nrma.com.au](http://nrma.com.au) or contact us on 132 132.

For policies with more than one policyholder, your discount is based on the policyholder who has the highest loyalty discount (most eligible policies and longest continuous relationship with us).

Some NRMA Insurance branded policies issued for insured property or assets located in South Australia, Western Australia and the Northern Territory will not contribute to your policy count and will not be eligible to receive a Loyalty Discount. If you have such a policy, you will be told about this on the Premium, Excess and Discounts Guide applicable to that policy.

The following is a list of the policies that:

- contribute to your policy count
- are eligible to receive the Loyalty Discount.

POLICIES	POLICY COUNT	DISCOUNT APPLIED
<b>Motor</b>		
Comprehensive Plus	✓	✓
Comprehensive	✓	✓
Third Party Fire & Theft	✓	✓
Third Party Property Damage	✓	✓
<b>Veteran, Vintage &amp; Classic Vehicle</b>	✓	✓
<b>Home</b>		
Buildings	✓	✓
Contents	✓	✓
Buildings and Contents <sup>#</sup>	✓	✓
<b>Landlord</b>		
Buildings	✓	✓
Contents	✓	✓
Buildings and Contents <sup>#</sup>	✓	✓
<b>On-site Caravan</b>	✓	✓
<b>Touring Caravan</b>	✓	✓
<b>Boat</b>	✓	✓
<b>Trailer</b>	✓	✓
<b>Retail Business Insurance</b>	✓	✗
<b>Compulsory Third Party (CTP)*</b>	✓	✗
<b>Life Insurance**</b>	✓	✗
<b>Income Protection**</b>	✓	✗
<b>NRMA Motoring &amp; Services Membership***</b>	✓	✗

# Policy Count equals 2.

\* Applies to CTP policies taken out in NSW and the ACT.

\*\* Applies to policies issued on or before 1 April 2021 and any subsequent renewal of those policies, provided no changes are made.

\*\*\*Excludes BusinessWise Memberships. NRMA Membership is provided by National Roads and Motorist Association Limited ABN 77 000 010 506, trading as NRMA Motoring & Services and is separate and independent from NRMA Insurance.

## MINIMUM AND MAXIMUM PREMIUM

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 does not fall outside that range. Any discounts will be applied to your policy, only to the extent any minimum premium is not reached. This means that any discount you may be eligible for may be reduced. 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.

## EXCESS

An excess is the amount you contribute towards the cost of your claim.

There are three types of excess:

- basic
- earthquake
- special.

The type of excess you need to pay depends on what your claim relates to. Also, you may need to pay more than one type of excess.

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

When you make a claim, an excess may apply. If so, we will:

- deduct the excess from any claim payment, or
- request you pay the excess to us, or to the repairer or supplier.

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.

You do not have to pay an excess if you make:

- a liability claim,
- a claim for food spoilage (see Section 3 of your NRMA Home Insurance PDS), or
- a claim for an incident that we are satisfied someone else is responsible for and:
  - you can provide the name and address of that person and,
  - the amount of the claim is more than the basic excess.

When determining the excess that will apply we may need to decide if you or someone else is responsible. To do this we may request additional information – for example witness statements or photographs – and consider any laws or rules that apply to the claim circumstances.

If we are unable to determine that someone else was responsible, the excess is payable.

### BASIC EXCESS

If you make a claim, a basic excess may apply. The circumstance(s) when an excess (including a basic excess) does not apply are set out in this Excess section. Choosing a higher basic excess reduces your premium.

You can choose one of the following amounts in the table, as your buildings basic excess or your contents basic excess:

NSW/ACT/TAS/QLD/VIC
\$100
\$200
\$300
\$500
\$750
\$1,000
\$2,000
\$3,000
\$4,000
\$5,000

If you have combined your Buildings Insurance and Contents Insurance under one policy, then you can choose a different basic excess for your buildings and contents. Then, if you make a claim for loss or damage under:

- your buildings insurance you must pay us the buildings basic excess, or
- your contents insurance you must pay us the contents basic excess, or
- both your buildings and contents insurance you only pay one basic excess, whichever is higher. But if you have the Pet Lover's Pack cover and make a claim under that cover, then you pay us the lower basic excess.

### EARTHQUAKE EXCESS

If under Buildings Insurance you make a claim for loss or damage as a result of the listed event of earthquake, you must pay the earthquake excess of \$500, or the buildings basic excess, whichever is higher.

### SPECIAL EXCESS

We may apply a special excess for one of the listed events. A special excess is payable in addition to your buildings or contents basic excess.

## GOVERNMENT CHARGES

Home Insurance policies are subject to stamp duty imposed by state and territory governments in addition to GST.

In addition to stamp duty and GST an amount of your premium is also used by us to pay the Emergency Services Levy (ESL) which funds NSW Emergency Services and the SES.^

GOVERNMENT CHARGES	NSW	ACT	TAS	QLD	VIC
GST	10%	10%	10%	10%	10%
Stamp Duty	9%	0%	10%	9%	10%

^ For policies held in NSW only

## HOW WE CALCULATE YOUR HOME PREMIUM

### Step 1

First, we combine the pricing factors relating to the product and any options you have chosen.

### Step 2

Then we add the cost of choosing to pay by the month to the buildings or contents premiums.

### Step 3

We then add any pricing factors relating to the year your home was built and apply to the buildings premium from Step 2.

### Step 4

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 3 (excluding the Burn out of electric motors – fusion).

### Step 5

Then, we add the cost of any No Claim Bonus protection you have chosen (excluding the Burn out of electric motors – fusion).

**Step 6**

We then work out any Loyalty Discount that you may be eligible for and apply that to the amount from step 5.

**Step 7**

If you have both Buildings and Contents Insurance under the one policy, we add your buildings premium and contents premium together as well as adding the premium from any options you have chosen.

**Step 8**

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

**HELPLINE BENEFITS 132 900**

When you have a Home or Home Plus Insurance policy, we provide you with the following benefits.

**HELPING YOU ANYTIME, ANY DAY**

Our Helpline telephone service provides you with help and advice 24 hours a day, seven days a week.

**HELP AT HOME**

We can help you over the phone with maintenance or repairs by getting a tradesperson to give you an estimate of the likely repair costs.

**HELP AWAY FROM HOME**

If you or your family are in Australia but away from your home, we can provide the following services over the phone:

- help you with travel directions or to change your travel arrangements
- when appropriate, direct you to a local doctor or medical facility, or communicate with relatives or friends on your behalf.

'Family' is defined in your PDS.

**TRAUMA COUNSELLING**

If something happens to you or your family in Australia and we agree you need trauma counselling, we will arrange and pay up to \$1,000 for the trauma counselling.

**HOME@50 BENEFITS**

If you're 50 years or older we offer benefits in addition to other features of your Home and Home Plus Insurance policy.

**BENEFITS**

- A Nil basic excess option, so if you make a claim you won't have to pay a basic excess (you can still choose a higher excess to lower your premium)
- 15% discount on NRMA Travel Insurance<sup>†</sup>
- Access to confidential legal advice through Helpline on 132 900, for one hour per period of insurance. Subjects covered include:
  - Tenancy/landlord
  - Buying and selling a property
  - Aged care
  - Neighbours and noise
  - Wills, Estates and Probate
  - Contracts advice
  - Powers of Attorney
  - Medical complaints
  - Credit and finance

We will pay the law firm for one matter up to one hour per period of insurance. Any charge for additional work is by agreement between you and the law firm. This service is unable to provide advice on any insurance related matter that may involve us or one of our related companies.

We may change the benefits or introduce more benefits from time to time.

If you qualify for Home@50 benefits it will be shown on your current Certificate of Insurance.

<sup>†</sup> Limits, sub-limits, conditions and exclusions apply. NRMA Travel Insurance is administered by Cover-More Insurance Services Pty Ltd (ABN 95 003 114 145, AFSL 241713) and issued by Zurich Australian Insurance Limited (ABN 13 000 296 640, AFSL 232507). Any advice is general advice only. Please consider your financial situation, needs and objectives and read the Product Disclosure Statement before deciding to buy this insurance. Insurance Australia Limited (ABN 11 000 016 722, AFSL No. 227681) trading as NRMA Insurance will arrange for the issue of NRMA Travel Insurance.

**If there is anything you don't understand about this NRMA Home Insurance Premium, Excess, Discounts & Benefits Guide, please call us on 132 132 or visit a local branch.**