

## Secure™ Relocatable Home Insurance Product Disclosure Statement

### PREMIUMS, EXCESSES, DISCOUNTS & CLAIMS GUIDE



The purpose of this Guide is to provide further details about the amount you pay for this insurance, the excesses and discounts that may apply and how we may pay claims.

This Guide forms part of the Secure™ Relocatable Home Insurance Product Disclosure Statement (PDS) with a preparation date of 21st March, 2011. Words with special defined meanings are defined in accordance with the PDS, pages 47 to 49.

Vero Insurance Limited ABN 48 005 297 807 AFSL No. 230859 ('Vero') is the insurer and issuer of the policy, the PDS and this Guide. CIL Insurance ('CIL') is a division of Vero.

This guide is effective if you purchased a new policy or if you renewed your existing policy on or after 16<sup>th</sup> of April 2012. It also applies to any changes that we have agreed to make to your existing policy on or after 16<sup>th</sup> of April 2012.

#### PREMIUMS – The amount you pay for this insurance

The amount we charge for this insurance policy is the premium consisting of the amount we calculate to cover the risk plus GST and any relevant government charges (such as stamp duty). The total premium will be shown on your schedule.

#### **How various factors affect your premium**

We consider a number of factors in calculating your premium and the amount you pay will depend on information that you give us about you and your relocatable home.

We calculate your premium by taking into account the following factors:

1. Pricing Your Risk
2. Discounts
3. Government Charges

#### **1. Pricing Your Risk**

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 those factors combine to affect your risk premium will differ from person to person. The factors we may use include:

- ▼ Sum insured of building and contents
- ▼ Postcode where the relocatable home or contents are located
- ▼ How your relocatable home is occupied
- ▼ Security measures on relocatable home (only applies on contents insurance)
- ▼ The construction type of your relocatable home
- ▼ If you have chosen the personal valuables option

Each time you renew your policy, your premium is likely to change even if your personal circumstances have not changed. This is because premiums are also affected by other factors such as:

- ▼ The cost and frequency of claims we have paid to other customers;
- ▼ The cost and frequency of claims we expect to pay in the future;
- ▼ Changes in government taxes or charges; and
- ▼ Our expenses of doing business and commercial factors.

#### **2. Discounts**

You will be eligible for a retired customer discount on your policy if you are not insuring an investment property and you are over 55 years old and no longer working full-time and we know this.

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 and you might not be eligible for our usual discounts.

Discounts are usually applied as the final step in the premium calculation before the application of government taxes and charges. If you are eligible for more than one discount we apply any subsequent discount to the already discounted premium. The amount and type of discounts offered can change or be withdrawn.

### 3. Government Charges

After we have calculated the amount to cover the risk, GST and any relevant government charges (such as stamp duty) will be applied to the premium. These amounts are shown on your schedule.

#### EXCESS– An amount you may have to pay us at claim time

The amount and types of excesses that apply to your policy and which you will be required to pay to us when you make a claim will be shown on your schedule. The total excess payable for any one claim will be determined by adding all applicable excesses together.

This policy has three types of excesses. The following table provides a summary of our excesses:

<b>Basic Excess</b>	Our basic excess is \$100, unless it has been varied. Some older policies may have a varied basic excess, the amount will be shown on your schedule.
<b>Earthquake Excess</b>	In the event of an earthquake claim we will require you to pay an additional excess of \$200.
<b>Underwriting Excess</b>	We may impose an additional excess based on our assessment of risk, including your claims history, if your home is unoccupied or you wish to insure a high value item or a unique or unusual type of item.

#### CLAIM PAYMENT EXAMPLES – How we pay your claim

The following claim payment examples show how we pay six of the most common types of relocatable home insurance claims. They are only examples to be used as a general guide; we determine real claim payments on an individual basis, after we have assessed each claim. The examples do not cover all claim scenarios or all benefits and do not form part of your policy terms and conditions.

##### Index of claim payment examples:

1. A claim for your relocatable home that is a total loss
2. A claim for partial loss or damage to your relocatable home that can be repaired
3. A legal liability claim
4. A contents claim
5. A contents electrical motor burnout claim
6. A specified personal valuables claim

##### **1. A claim for your relocatable home that is a total loss**

Your relocatable home is insured for a building sum insured of \$50,000 and contents sum insured of \$15,000. The basic excess shown on your schedule is \$100. Your relocatable home is totally destroyed by fire.

How much we pay		Further information
Building Sum Insured	\$50,000	We determine your relocatable home to be a total loss if it would cost more for repairs than the sum insured of your relocatable home. In this example we determine the costs of repairs to be over \$50,000, so we decide it is a total loss.
Contents Sum Insured	\$15,000	In this example all your contents are destroyed in the fire so we pay you the total sum insured for your contents.
Less excess	-\$100	Only a basic excess applies in this example. We deduct this from the amount we pay to you.
Re-building fees and related costs	\$5,000	We will pay reasonable costs for re-building fees and related costs. In this example, the fire has left debris, the removal of which costs \$5,000. We would normally pay this directly to the debris remover.
Claim so far	\$69,900	We would normally pay \$64,900 directly to you in a total loss situation. We would pay the \$5,000 directly to the debris remover.

**2. A claim for partial loss or damage to your relocatable home that can be repaired**

Your relocatable home is insured for a building sum insured of \$80,000. The basic excess shown on your schedule is \$100. A storm damages the roof of your relocatable home and also causes water damage to the ceiling of your relocatable home. We assess that your relocatable home is not liveable until repairs are completed and you move into temporary accommodation for 2 weeks while repairs are undertaken.

How much we pay		Further information
Damage to the roof & ceiling	\$15,000	We assess the damage to be \$15,000 and arrange for a builder to attend to the repairs. We normally pay the cost of repairs directly to the repairer.
Less excess	-\$100	We normally require you to pay this amount directly to the repairer.
Out-of-pocket expenses	\$3,500	We will pay for the reasonable costs of temporary, similar accommodation while your relocatable home is being repaired. We will not pay more than 20% of the building sum insured. So the maximum cover for this policy would be \$16,000 (20% of \$80,000). In this example the accommodation costs \$3,500. We would normally pay this amount directly to the accommodation provider.
Claim so far	\$18,400	We normally pay \$15,000 directly to the repairer and \$3,500 for the temporary accommodation directly to the accommodation provider.

**3. A legal liability claim**

Your relocatable home is insured for a building sum insured of \$80,000, which has included legal liability cover up to \$20,000,000. The basic excess shown on your schedule is \$100. A visitor to the property has leaned on a hand rail and the hand rail has collapsed resulting in injuries to the visitor. The visitor sues the owner of the property who is found to be legally liable. The cost of injuries to the visitor is determined to be \$8,000. The basic excess shown on your schedule is \$100. The legal costs to defend the third party legal liability claim are \$800.

How much we pay		Further information
Injuries to the visitor	\$8,000	We normally pay this cost directly to the third party claimant.
Less excess	-\$100	Only a basic excess applies in this example. We normally require you to pay this amount directly to us.
Plus our legal costs	\$800	The legal costs we incur in defending the claim are \$800. We normally pay the solicitor directly for these costs.
Total claim	\$8,700	

**4. A contents claim**

Your contents in your relocatable home are insured for a sum insured of \$20,000. The basic excess shown on your schedule is \$100. Your personal computer and rare coin collection are stolen from inside your relocatable home. You purchased the computer last year for \$3,000 and you had the coin collection valued recently for \$3,500.

How much we pay		Further information
Replacement of personal computer	\$2,500	We obtain a quote to replace the computer with an equivalent one for \$2,500. We authorise the quote and pay the cost of replacement direct to the supplier.
Replacement of rare coin collection	\$1,500	The coin collection is classed as a high risk item and is not listed on your schedule as a specified item, therefore we will only pay up to the policy limit of \$1,500. We will pay this amount directly to you.
Less excess	-\$100	Only a basic excess applies in this example. We normally deduct this amount from the amount we pay you.
Total claim	\$3,900	We would normally pay \$2,500 to the supplier for the personal computer and \$1,400 directly to you for the coin collection.

**5. A contents electrical motor burnout claim**

Your fridge motor has suddenly stopped working and the repairer’s report confirms that the motor for the fridge has burnt out. You also have food from the fridge which has spoilt and can no longer be eaten.

How much we pay		Further information
Cost of repairing the motor	\$300	We normally pay the cost of repairs directly to the repairer.
Food spoilage	\$200	We cover you up to \$300 for spoilage of frozen or refrigerated food. We normally pay this amount directly to you.
Less excess	-\$100	Only a basic excess applies in this example. We normally deduct the excess from the amount we pay you.
Total claim	\$400	We would normally pay \$300 directly to the repairer and \$100 to you for the damaged food.

**6. A specified personal valuables claim**

You currently have a relocatable home and contents policy, with your engagement ring listed under the optional portable personal valuables cover as a specified personal valuable. The sum insured for your engagement ring is \$6,000 and this is shown on your schedule. While you were swimming at your local beach your ring slipped off your finger and you are unable to find it.

How much we pay		Further information
Cost to replace your ring	\$6,000	We obtain a quote to replace the ring with an equivalent one for \$6,000. We authorise the quote and pay the cost of replacement direct to the supplier.
Less excess	-\$100	Only a basic excess applies in this example. We normally require you to pay this amount directly to the supplier.
Total claim	\$5,900	We would normally pay \$5,900 to the supplier.