

# Top **Strata** Residential Insurance

Your guide to premium, excesses and claim payments



# Your Guide to Premiums, Excesses and Claim Payments

The purpose of this guide is to provide further detail about the amount you pay for this insurance and the excesses that may apply if you make a claim. It also includes information about how we calculate and pay claims under your policy. This guide is taken to be part of the Resilium Top Strata Residential Insurance Product Disclosure Statement (PDS) dated 09 June 2010. Words defined in the PDS have the same meaning in this Guide.

This guide applies to policies with a start date or renewal date on or after 15 July 2015.

## About your premium

The premium is the amount you pay us for your insurance. It reflects what we consider is the likelihood of you making a claim together with other factors related to our cost of doing business. Your premium does not include any administration fee charged to you by your insurance intermediary.

You also pay stamp duty, GST, any government charges and fire services levy (FSL) that applies. These charges are applied as the final step in the premium calculation. Your certificate of insurance will show how much you have to pay.

When we calculate your premium there are a range of factors we take into account, we call these premium factors. The key factors that affect your premium are the type of covers and optional covers you choose, together with any government charges. For example, selecting both building and common contents cover will attract a higher premium than selecting only building cover.

The amount of premium that you pay will also depend on information that you give us particularly the information you give us about your building.

It is very important that all the information you give us is accurate and precise. For instance, the address for your building and common contents has a significant impact on your premium. This would include giving us the exact street number and address of the building. If you do not give us this information it could have a significant impact on your premium, so it is important that you ensure the information you give us is accurate and precise.

Each year when we calculate your premium we may take into account some or all of the premium factors. The importance we place on the factors we use can change from year to year and how those factors combine to affect your premium will differ depending on the building to be insured. The factors we use can also change depending on the type of cover you select.

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

### Premium factor

- Suburb/town in which building is located
- Sum insured
- Property construction
- Legal liability
- Optional covers
- The basic excess you choose

Each time you renew your insurance your premium is likely to change. In addition to any change to the premium factors we use, premiums are 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 our approach to calculating your premium
- automatic adjustments to the sum insured
- our expenses of doing business
- changes in government taxes and any state or territory levies and
- other commercial factors.

When determining your renewal premium, we also consider how much you paid last year. As such, we may limit any movements up or down to your premium to avoid large changes in premiums year on year.

## Government taxes & charges

Top Strata Residential insurance policies are subject to stamp duty imposed by state and territory governments, 10% GST and in some states a fire service levy. Government charges are applied as the final step in the premium calculation. The amount of any government charges that have been applied to your policy are shown on your certificate of insurance.

## About your excess

### What is an excess

An excess is the amount you have to pay for each incident when you make a claim. We will deduct the excess from the amount of cover provided by your policy. The amount and types of excess are shown on your certificate of insurance. The different types of excess are:

### Basic excess

You can choose a standard excess from the levels we offer. The levels we offer usually fall between **\$0** and **\$1,000**.

### Water damage excess

A water damage excess applies to all claims caused by leaks in pipes and water containers. The water damage excess is **\$200** and is paid in addition to any other excess that applies.

### Earthquake excess

When loss or damage is caused by an earthquake, an excess of **\$300** will apply in addition to any other excess that applies.

### Additional excess

We may impose an additional excess that applies on top of any other excess. This excess may be imposed for a range of reasons including for example:

- where we consider you have made more claims than usual, or
- if the building has been unoccupied for more than **60** consecutive 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. In each of the examples we assume that you are not registered for GST.

### Example 1 – Total loss building

Your building has a sum insured of \$650,000. Your basic excess is \$500. 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. We assess the cost to rebuild is \$750,000.

At the time of the loss the policy is 6 months into the period of insurance.

How much we pay		Additional information
Building sum insured	\$682,500	Your sum insured is not enough to cover the cost to rebuild. Accordingly we apply a pro-rata adjustment to the building sum insured.
Pro-rata adjustment	$\$650,000 \times (10\% \times 6/12)$ because you are only 6 months into your period of insurance $= \$32,500$	If you make a claim part way through the period of insurance we bring forward the sum insured adjustment that would have applied at your next renewal date. The current annual adjustment is 10%. See PDS on page 20.
Adjusted building sum insured	\$682,500	As the adjusted home sum insured falls short of the cost to rebuild we will pay you this amount.
Less excess	- \$500	We deduct this from the amount we pay you.
<b>Total claim</b>	<b>\$682,000</b>	We pay this amount directly to you.

### Example 2 – Partial loss building

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 basic excess is \$500. The water damage excess of \$200 will also apply.

How much we pay		Additional information
Cost of repairs to the ceiling	\$4,000	
Cost to repair the pipes	\$400	The most you can claim for repairs to leaking pipes in any one period of insurance under Additional feature 2 is \$500.
Less excess	- \$700	You pay the total excess directly to the repairer on completion of the work.
<b>Total claim</b>	<b>\$3,700</b>	We pay this amount to the repairer.

### Example 3 – Voluntary workers cover

Your building is insured under the Top Strata Residential insurance. Your basic excess is \$500.

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 \$1,000.

How much we pay		Additional information
Loss of wages	\$100,000	The most we pay under this additional feature for each incident is \$100,000. We pay this amount to the injured party.
Less excess	- \$500	You pay your basic excess to us before we settle the claim.
<b>Total claim</b>	<b>\$99,500</b>	

### Example 4 – Legal liability

You take out a Top Strata Residential Insurance policy. Your basic excess is \$500.

A visitor to the unit was descending down the stairs within the apartment. 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 assess this claim and agree you are liable for these amounts.

How much we pay		Additional information
Total amount of liability	\$14,800	We assess the claim and agree you are liable. We pay this amount to the injured party.
Less excess	- \$500	You pay your basic excess to us before we settle the claim.
<b>Total claim</b>	<b>\$14,300</b>	

Contact your  
**Resilium Adviser** or:

**phone** Customer Service 131 436 or  
Claims 131 437

**web** [www.resilium.com.au](http://www.resilium.com.au)