

PREMIUM & PAYMENTS GUIDE

RACT INSURANCE HOME, CONTENTS AND PORTABLE ITEMS INSURANCE

Premiums and Payments

The Premium and Payments (PPG) Guide is a document containing additional information about how we calculate your premium, and how we determine excesses and discounts in connection with your policy. You should read this PPG in conjunction with your Home, Contents and Portable Items Product Disclosure Statement (PDS) and any Supplementary Product Disclosure Statement (SPDS).

Premiums

When we calculate your premium, we take into account a number of factors. These may include:

- sum insured;
- period of insurance;
- address, age and construction of your home;
- age of the insured;
- security measures you have in place;
- excess selected;
- your previous insurance and claims history;
- options you have chosen;
- payment method selected;
- discounts you may be eligible for.

The total premium payable by you also includes compulsory government charges (including duties and GST). The details are shown on your current schedule.

Each time you renew your insurance, your premium is likely to change, even if your personal circumstances have not changed. This is due to the cost of claims paid, expected cost of future claims, new and updated data we use to calculate your premium, and our business administration costs.

You may pay your premium annually, or at our option by instalments. Your premium may be higher when you choose to pay in instalments, rather than annually.

Discounts and special offers

Any discount or special offer that you may be eligible for can affect your premium. The premium you pay for your insurance includes any discounts or offers we have given you. Any discounts or offers you receive are usually calculated and applied before the government charges are added.

The discounts we offer include

- **Portfolio discount** when you insure at least 3 qualifying policies with us;
- **Silver saver discount** when you and your partner are over **50 years** of age and at least one of you are working less than 20 hours per week;
- **Online discount** when you take out a policy online, you may be eligible for these discounts;
- **Special offers** are advertised from time to time and will usually have separate terms and conditions that apply. Details are available from us on request. These offers may be withdrawn at any time.

Payments

Excesses			
Home and Contents	Standard	Additional	Earthquake or Tsunami
	There are a number of standard excess options between \$200 and \$5,000 .	An additional excess may be applied when some aspects of the property or owner to be insured fall outside our normal underwriting guidelines.	This additional excess is \$200 .
Portable Items	This excess is \$100 when you elect to take this cover.		

Claim payments

The following tables are a guide to how we may calculate claim payments, but they don't cover all scenarios or benefits. GST considerations have been made.

Claims are assessed and determined on an individual basis. You should read the PDS in conjunction with your current schedule for full details of what we cover, including information on how we settle your home, contents or portable items claim, as well as policy limits, excesses, conditions and exclusions that apply.

Example 1 - Total loss home claim

Your home is insured for a sum insured of **\$450,000**. A bushfire has swept through your suburb, and your home along with many others was destroyed in the event. Your standard excess with us is **\$400**.

How much we pay

Rebuild cost	\$435,000
We assess your home as a total loss and calculate that it would cost \$435,000 to rebuild your home. The maximum we will pay is the sum insured and any additional policy benefits. We won't pay more than it costs us to repair or rebuild your home.	
Removal of debris	\$60,750
We pay up to 15% of the building sum for expenses such as removal of the building debris or planning approvals under the Incidental expenses additional cover.	
Temporary accommodation	\$4,000
We pay up to an additional 10% of your sum insured for the reasonable cost of temporary accommodation you incur, as a result of you not being able to live in your home.	
Less excess payable	\$400
The Excess shown on your schedule	
TOTAL CLAIM AMOUNT PAID	\$499,350
We will choose to either rebuild your home or pay you the cost of rebuilding your home.	

Example 2 - Partial loss home claim

A storm with heavy rain and extreme winds strikes, causing a tree to collapse and fall onto the roof of your home. Your home suffers damage and is assessed as being unliveable. You and your family move into temporary accommodation during repair. Your home sum insured is **\$300,000** and your standard excess with us is **\$200**.

How much we pay

Cost of repair	\$75,000
We arrange repairs and pay what it costs us to repair your home directly to the repairer.	
Temporary accommodation	\$2,500
We pay up to an additional 10% of your sum insured for the reasonable cost of temporary accommodation you incur, as a result of you not being able to live in your home.	
Less excess payable	\$200
The Excess shown on your schedule.	
TOTAL CLAIM AMOUNT PAID	\$77,300

Example 3 - Partial loss contents claim

You arrive home from work one evening to discover the sliding door open and your Smart TV, sound bar, DVD collection and a pearl necklace missing. The police confirm the items have not been recovered. Your standard excess with us is **\$600**.

How much we pay

Cost to replace Smart TV	\$1,500
We arrange for replacement and pay what it costs us to replace the TV directly to the supplier.	
Cost to replace sound bar	\$350
We arrange for replacement and pay what it costs us to replace the sound bar directly to the supplier.	
Cost to replace DVD collection	\$5,000
We arrange for replacement and pay what it costs us to replace the DVD collection directly to the supplier.	
Pearl necklace – listed for \$2,000 replacement value.	\$1,900
We arrange for replacement and pay what it costs us to replace the necklace directly to the supplier.	
Less excess payable	\$600
The Excess shown on your schedule	
TOTAL CLAIM AMOUNT PAID	\$8,150

Example 4 - Optional cover: Damage to electric motor home claim loss home claim

The motor in your panel-lift garage door has stopped working. The report from the repairer confirms that the motor in the unit has burnt out. The age of the motor in the panel-lift door is 6 years from the date of manufacture, and your standard excess with us is **\$200**.

How much we pay

Cost of replacement motor	\$680
We offer an optional cover of 'Damage to electric motors', where we cover repair or replacement of a household electric motor that forms part of your home. Cover is for motors up to 10 years from the date of manufacture. The motor is outside the manufacturer's warranty and the motor requires replacement, so we will pay what it costs us to replace the motor. We will arrange the repairs and pay the repairer directly.	
Less excess payable	\$200
The Excess shown on your schedule	
TOTAL CLAIM AMOUNT PAID	\$480

Example 5 - Legal liability home claim

You have invited visitors to your home for dinner, and one of your visitors goes to the bathroom to wash their hands and slips over in a puddle of water on the tiles, left by one of your children after they had a shower earlier that afternoon. The visitor injures their lower back. Your visitor makes a claim against you, and it is determined that you are legally liable. Your standard excess with us is **\$500**.

How much we pay

Total amount of liability	\$12,000
Under 'Legal liability', we cover you for your legal liability for death or injury to other people up to \$20 million , including legal costs. We pay the person who claimed against you.	
Legal fees	\$3,000
Costs of lawyers' fees to defend you, negotiate and settle the claim are \$3,000.	
Less excess payable	\$500
The Excess shown on your schedule	
TOTAL CLAIM AMOUNT PAID	\$14,500

Example 6 - Partial loss portable items claim

You have the **\$3,000** unspecified portable items cover under your Portable items policy. During a game of beach volleyball with friends, your Oakley sunglasses fall from your face, and are damaged when you land on them after diving for the ball. We decide that your sunglasses cannot be repaired, and need to be replaced. The cost to replace the sunglasses is **\$250**. Your Personal items excess is **\$100**.

How much we pay

Cost to replace your sunglasses	\$250
We pay what it costs us to replace your sunglasses directly to the supplier. The cost to replace the sunglasses is within the limit per item of \$1,000.	
Less excess payable	\$100
The Excess shown on your schedule.	
TOTAL CLAIM AMOUNT PAID	\$150

This PPG came into effect on 1st of June 2019

The insurer of this product is RACT Insurance Pty Ltd
ABN 96 068 167 804 AFS Licence No 229076.

The Royal Automobile Club of Tasmania Limited
ABN 62 009 475 861 acts as an agent for
RACT Insurance Pty Ltd, not as your agent.