



# CommInsure Home Insurance Premium, Excess and Discount Guide

**This document provides you with information to help you understand:**

- how you can pay your premium;
- how we calculate your premium;
- the type and amount of excess we may charge; and
- examples of how we may settle a claim.

The information contained in this document is current as of 05 April 2021 and should be read with the CommInsure Home Insurance Product Disclosure Statement (PDS) Dated 05 April 2021 and your Certificate of Insurance. This guide applies to policies purchased and/or renewing on or after 5 April 2021. For full details, including the terms and conditions of cover, exclusions and claim limits, please refer to the PDS available on our website.



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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 premium for the Period of Insurance or a change in premium due to any amendments to your policy throughout the Period of Insurance.

This insurance is issued by Commonwealth Insurance Limited ABN 96 067 524216 / AFSL 235030 (CIL). CommInsure is a registered business name of CIL. CIL is a wholly owned non-guaranteed subsidiary of Commonwealth Bank of Australia ABN 48 123 123 124 / AFSL 234945 (the Bank). Bankwest, a division of the Bank, distributes CIL's insurance products. The Bank, including Bankwest, do not guarantee the obligations or performance of CIL or the products it offers.

# Your Premium

Your premium is the amount we charge you for your policy. It is made up of your **basic premium** plus any **Government and other charges**. We will explore each of these in the steps below.

## Ways you can pay your premium

You can choose to pay your premium in:

- 1 annual payment; or
- 12 monthly instalments.

We do not charge any additional premium if you select to pay your total premium in 12 monthly instalments, however your financial institution may impose charges.

You can request to pay your premium in the following ways:

Method	Monthly	Annually
Direct debit from a bank account	✓	✓
Direct debit from a credit card	✓	✓
Cash or cheque at a Bankwest branch	x	✓
Cheque by mail	x	✓
Bpay®	x	✓
Telephone	x	✓
Internet banking	x	✓

## Step 1 - Your basic premium

Your **basic premium** reflects our view of the likelihood of a claim being made under your policy and the potential value of that claim. We also combine a number of known **significant factors** relevant to your situation and then deduct any **discounts** you may be entitled to.

**Significant factors:** Detailed information about these significant factors and other factors which may influence your basic premium can be found below.

Factor	Residential Policy			Investment Policy	
	Building	Contents	Portable Contents	Building	Contents
If you choose building, or contents, or both	✓	✓	x	✓	✓
The Optional Covers you select	✓	✓	x	✓	✓
The sum/s insured you nominate for your building and/or contents	✓	✓	x	✓	✓
The address and location of your insured address	✓	✓	x	✓	✓
Characteristics of your building including type, construction and year built	✓	✓	x	✓	✓
Security measures installed on your building, eg a security alarm	x	✓	x	x	✓
The age/s of the policyholders	✓	✓	x	✓	✓
The weekly rent you receive for your Investment property	x	x	x	✓	✓
Claims history – frequency and value of previous claims	✓	✓	x	✓	✓

The excess selected by you, or imposed by us	✓	✓	✗	✓	✓
Any discounts applicable	✓	✓	✓*	✓	✓
What you choose to cover under Portable Contents					
If you choose to cover a mobile phone under Customised Cover for example, your premium will be higher than if you choose to cover clothing of the same value	✗	✗	✓	✗	✗
Whether you purchase Portable Contents Cover in conjunction with Residential Home Package Building and/or Contents cover, or as a standalone cover.	✗	✗	✓	✗	✗
If you choose to insure your portable contents under Customised or Packaged cover	✗	✗	✓	✗	✗
The sum/s insured you nominate for portable contents	✗	✗	✓	✗	✗

\*No discounts apply to Portable Contents Cover when it is purchased as a standalone cover

**Discounts:** We will advise you if a discount is applied to your premium.

If you have purchased a combined building and contents policy, and are not receiving any other discount or promotion, a discount\* of up to

- 15% for Residential Home Package, or
- 10% for Investment Home Package,

will be incorporated into the calculation of your basic premium.

You may be entitled to discounts\* which relate to how and when you purchase your policy (e.g. when you apply in conjunction with other products or offers). These discounts are incorporated into the calculation of your basic premium.

For discounts\* relating to Commonwealth Bank package programs, please refer to the information you receive when you purchase the package. More information can be found at [commbank.com.au](http://commbank.com.au).

On 17/11/2018 a change in the Commonwealth Bank Wealth Package and Mortgage Advantage Package removed insurance discount benefits for existing holders of either package.

When insurance discount eligibility ends, ComInsure may provide existing package holders with a replacement 'Legacy Discount'. Where the Legacy Discount\* is applied to a policy, it will include a discount up to 10% for Building or Contents cover, and up to 15% for combined Building and Contents cover. If applied to a policy, this discount will be incorporated into the calculation of your basic premium.

No discounts apply to:

- Domestic Workers' Compensation Cover (Residential Home Package Optional Cover)
- Portable Contents when purchased as a standalone cover
- Weekly rent factors (Investment Home Package Loss of Rent Additional Benefit and Loss of Rent Extra Optional Cover) that form part of your Investment package basic premium

**Your basic premium has now been calculated.**

\* A discount cannot be used in conjunction with another discount (other than those listed in the relevant PDS) or in conjunction with any other promotional offer, unless we have advised in the promotional offer that this discount will apply. We may remove or change a discount effective from the renewal date. A discount cannot be backdated. Minimum premiums may come into force and reduce the extent to which a discount is applied.

## Step 2 – Government and other charges

CommInsure Home Insurance policies are subject to Government and other charges including the Emergency Services Levy (ESL), the Goods and Services Tax (GST) and Stamp Duty. There are no Government or ESL charges applied to Norfolk Island policies.

**ESL:** A levy imposed by the NSW State Government on insurers to cover the cost of emergency services in NSW. Insurers determine the ESL to be charged on each policy so that they can collect sufficient monies to fund their liability to contribute to the funding of emergency services in NSW. These services include Fire and Rescue (FRNSW), Rural Fire Services (RFS) and State Emergency Services (SES). This amount is charged on the basic premium where the insured address is within NSW. ESL applies in NSW only.

Government charges are calculated as follows:

**GST:** A Federal Government Tax. This indirect tax is levied at a rate of 10% on the basic premium amount and ESL (where applicable).

**Stamp Duty:** A State Government duty applied to insurance policies. Rates vary across Australian States and Territories. No Stamp Duty is charged to policies in the ACT. This charge (where applicable) is applied to the basic premium, ESL (in NSW only) and GST.

The above charges are listed on your Certificate of Insurance.

**Your total premium payable is determined after Government and other charges have been applied.**

# Excesses

An excess is an amount you must contribute when we agree to pay a claim, and will need to be paid by you before we finalise your claim. Important points to note about Excesses:

- This amount may be chosen by you or imposed by us
- You may be able to reduce your premium by selecting to pay a higher excess. Selecting a lower excess (if available to you) will increase your premium
- All excess amounts that apply to your policy are stated on your Certificate of Insurance
- If you are claiming for both Building and Contents in the same claim, only the higher of your Building or Contents excess will be payable
- Depending on what you are claiming for, more than one excess may apply to your claim, eg a Contents excess and a Portable Contents excess
- There is no excess payable for Domestic Workers' Compensation Cover (Residential Home Package only) or Legal Liability claims

The following excess options are available:

Cover selected	Excess options
Building	\$0*, \$100, \$200, \$300, \$500, \$750, \$1,000, \$2,000, \$5,000
Contents	\$0*, \$100, \$200, \$300, \$500, \$750, \$1,000, \$2,000, \$5,000
Portable Contents (Residential Home Package Optional Cover or standalone cover)	\$100 (Fixed excess)**
Loss of Rent Extra (Investment Home Package Optional Cover)	There is no cover for the first 4 weeks of a period of rent default. This is considered a 'time excess'. The lower of your Building and/or Contents excess is also payable.

\* \$0 excess option is only available for policyholders aged 50 years old and over at the time of policy inception/renewal, and only on the Residential Home Package.

\*\* This excess will be payable for all Portable Contents Cover claims.

Depending on the type of claim, you may choose to:

1. have the excess deducted from any settlement we pay directly to you (or your credit provider);
2. have the excess deducted from any invoice we receive from a repairer or supplier (if applicable) which will mean you will be responsible for paying the amount of the excess directly to them; or
3. pay the excess to us.

The tables below have been designed as a guide to help you understand how an excess may be applied. It is important to note that this list is not exhaustive and other combinations exist depending on the type of claim you make. In this table a tick (✓) means it applies and a cross (✗) means it does not.

## Residential Home Package including Portable Contents Cover

Your claim for					Your excess
Building Cover	Contents Cover	Portable Contents Cover	Accidental damage (to your Building)	Accidental damage (to you Contents)	The excess amount is stated on your Certificate of Insurance
✓	✗	✗	✗	✗	Building Cover excess.
✗	✗	✗	✓	✗	
✗	✓	✗	✗	✗	The Contents Cover excess.
✗	✗	✗	✗	✓	
✓	✓	✗	✗	✗	Only the higher of the Building <b>or</b> Contents Cover excess will be applied.
✗	✗	✗	✓	✓	
✓	✗	✓	✗	✗	Building Cover excess <b>plus</b> Portable Contents Cover excess.
✗	✓	✓	✗	✗	Contents Cover excess <b>plus</b> Portable Contents Cover excess.
✓	✓	✓	✗	✗	Portable Contents Cover excess <b>plus</b> the higher of the Building <b>or</b> Contents Cover Excess.
✗	✗	✓	✗	✗	Portable Contents Cover excess.

## Investment Home Package

Your claim for					Your excess
Building Cover	Contents Cover	Accidental damage to your Building	Loss of Rent Extra	Malicious damage or theft by tenants	The excess amount is stated on your Certificate of Insurance
✓	✗	✗	✗	✗	Building Cover excess.
✗	✗	✓	✗	✗	
✓	✗	✗	✓*	✗	
✓	✗	✗	✗	✓	Contents Cover excess.
✗	✓	✗	✗	✗	
✗	✓	✗	✓*	✗	
✗	✓	✗	✗	✓	
✓	✓	✗	✗	✗	Only the higher of the Building <b>or</b> Contents Cover Excess will be applied.
✓	✓	✗	✓*	✓	
✗	✗	✗	✓*	✗	The lower of the Building cover excess <b>or</b> Contents Cover excess.
✗	✗	✗	✗	✓	

\* Where your claim is for Loss of Rent Extra, there is no cover for the first four weeks of rent default, in addition to the monetary excess payable.

# Examples of how we may settle a claim

The following are examples of how we may settle your claim, where your building, contents and/or portable contents are stated as covered on your Certificate of Insurance and where the circumstances of the claim would be accepted under the terms and conditions of this policy.

## Example 1

Your roof is damaged under the Insured Event 'Storm' and you have Residential Home Package – Building Cover.

We settle your claim by arranging for a builder to repair the roof of your building.

Claim details	Details
Building sum insured (nominated by you)	\$300,000
Residential Policy – Building Cover monthly premiums paid to date	Yes
Basic excess	\$300
Repair costs	\$5,000

Settlement Calculation	Amount
Amount we pay the builder	\$4,700
You pay the builder the excess	\$300

## Example 2

Your building is totally destroyed under the Insured Event 'Flood' and you have Residential Home Package – Building Cover.

We settle your claim by arranging for your building to be rebuilt.

Alternative accommodation costs are included in settlement as it took 6 months (26 weeks) to rebuild. In this example, your reasonable alternative accommodation costs are \$300 week, and  $\$300 \times 26$  weeks = \$7,800.

Claim details	Details
Building sum insured (nominated by you)	\$400,000
Residential Policy – Building Cover annual premium paid in full	Yes
Basic excess	\$500
The building is a total loss	Yes
The agreed cost to rebuild	\$350,000

Settlement Calculation	Amount
You choose to pay us the basic excess	\$500
We arrange to rebuild your building and pay the builder	\$350,000
We pay you alternative accommodation costs	\$7,800

## Example 3

Your building and contents are totally destroyed under the Insured Event 'Fire' and you have Residential Home Package – Building and Contents Cover.

You have a mortgage over your building with a balance owing of \$300,000.

Your building is able to be rebuilt in 6 months.

Claim details building	Details
Building sum insured (nominated by you)	\$500,000
Residential Policy – Building and Contents Cover annual premium paid in full	Yes
Basic excess	\$300
We determine the building is a total loss	Yes
We confirm the cost to rebuild (including demolition and debris removal)	\$700,000

In this example, your building was underinsured by \$200,000. The full amount of Gap Cover provided by your policy was \$125,000, leaving you a shortfall of \$75,000.

Alternative accommodation costs are also paid to you as it would take 6 months (26 weeks) to rebuild. In this example, we agree that your reasonable alternative accommodation costs are \$500 per week.

$\$500 \times 26 \text{ weeks} = \$13,000$ .

Only one excess has been charged, the higher of the building or contents excess.

## Example 4

Your building is broken into and the television, jewellery, laptop and camera are stolen and we agree to pay your claim by replacing your stolen items through our suppliers. You have the Residential Home Package – Contents Cover.

In this example the maximum limit of 25% of your contents sum insured ( $25\% \times \$64,000 = \$16,000$ ) has been applied to the jewellery items.

If discount arrangements we have in place with suppliers result in us replacing your contents for less than the sum insured or their retail value, we will not refund any premium or pay the difference.

Building Settlement Calculation	Amount
Sum Insured	\$500,000
Since building is underinsured, Safety Net (maximum of an additional 25% of sum insured) applies.	\$125,000
We pay your credit provider	\$300,000
Less building excess	\$300
We pay you (balance of sum insured plus Safety Net less excess)	\$324,700
We also pay you alternative accommodation costs	\$13,000

Claim details contents	Details
Contents sum insured (nominated by you)	\$60,000
We confirm the cost to replace your contents	\$60,000

Contents Settlement Calculation	Amount
Cost to replace your contents items	\$60,000
Less contents excess \$100	Does not apply
We pay you	\$60,000

Claim details	Details
Contents sum insured (nominated by you)	\$64,000
Residential Policy – Contents Cover annual premium paid in full	Yes
Basic excess	\$500
The cost to replace the television, laptop and camera through our supplier	\$3,100
The cost to replace the jewellery items through our supplier	\$20,000

Settlement Calculation	Amount
We pay our supplier to replace your electrical items. <ul style="list-style-type: none"> <li>• Television \$1,500</li> <li>• Laptop \$1,250</li> <li>• Camera \$350</li> </ul>	\$2,600
Total replacement costs \$3,100. (We pay this amount less the basic excess which you are required to contribute towards your claim)	
You choose to pay the basic excess to our supplier	\$500
We pay our supplier towards replacing the jewellery items (There is only one excess which has already been taken into account, as all items were stolen in the same theft)	\$16,000
Total amount payable by us	\$18,600



## Example 5

Your sapphire ring is lost and never recovered whilst on holiday in New Zealand and you have selected Customised Portable Contents Cover. This is the only Portable Contents item covered under your policy.

In this example your ring is the only item covered under your policy and we have paid the cost of replacing the ring.

Claim details	Details
Sum insured for the ring	\$5,000
Premium paid monthly with \$200 outstanding (remaining monthly instalments)	\$200
Portable Contents excess	\$100

Settlement Calculation	Amount
Sum Insured	\$5,000
Less outstanding premium	\$200
Less Portable Contents excess	\$100
Total amount payable by us	\$4,700

## Example 6

A visitor to your building slips and falls. The visitor makes a claim against you for \$50,000. We arrange legal representation for you and the matter goes to court. The court decides that you are liable to pay the visitor's claim in full.

Claim details	Details
Legal liability sum insured	\$20,000,000
Excess	Does not apply

Settlement Calculation	Amount
We pay visitors' claim	\$50,000
We pay the legal fees incurred	\$2,000
Total amount payable by us	\$52,000

## Example 7

Under a legal tenancy agreement, your tenant is paying \$550 a week in rent. They suddenly leave the insured address without notice and you are unable to find a new tenant for a total of 18 weeks.

Claim details	Details
Lost rent – 18 weeks @ \$550 per week	\$9,900
Advertising costs to find a new tenant	\$600
Building Excess	\$500
Contents Excess	\$300

Settlement Calculation	Amount
Lost rent	\$9,900
Costs of finding a new tenant (limited to \$500)	\$500
Less first 4 weeks of period of rent default	\$2,200
Less lower of Building and/or Contents excess	\$300
Total amount payable by us	\$7,900

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