

Home Insurance

Building and Contents

Effective 13th July, 2012

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The Buzz Premium & Excess Guide

Our customers have asked for a clear explanation of how a price is calculated and what excess may need to be paid in the event of a claim.

The Buzz Insurance Premium & Excess Guide outlines our approach to pricing and shows exactly what excess we have in place and when it may apply. It should be read in conjunction with **The Buzz Home Insurance Product Disclosure Statement (PDS)**. This Guide applies to policies issued by us starting on 13th July, 2012.

How we work out your premium

The premium you pay for your insurance reflects the *likelihood* of you making a claim together with the *potential value* of a claim. If you have a *lower* chance of making a claim, you'll generally pay a *lower* premium compared to someone who has a higher chance of making a claim. A number of factors are taken into account when we calculate a premium:

- Pricing factors are based on the 'risk'
 - the suburb where your home/contents are located
 - age of home, and construction materials of the walls/roof (*Building Insurance only*)
 - age of the oldest named person insured under the policy
 - number and types of claims of the owner, co-owner and people insured on the policy in the past five years
 - The way the home is occupied – for example owner or renter
 - Risk of flood to the home (*Central and Buzz Plus packs only*)
 - The basic excess amount you choose
- Any **optional extras** you choose (*Central and Buzz Plus packs only*)
- Government taxes and charges
- The payment method you choose.

Reducing your premium

You can reduce your premium by selecting a higher excess – it's your choice. This is the amount you're willing to contribute in the event of a claim. Our website helps you see the impact on your premium based on the different levels of excess selected.

Shaping your policy to suit you

The Buzz offers **three** levels of cover called *cover packs* - **Base, Central and Buzz Plus** - and four *optional extras* (*available with Central or Elite packs only*). Each pack and each *optional extra* is priced separately so you see exactly what you're paying for. Your total premium is based on the cover pack you choose and if you choose any *optional extras*.

Government charges

Building and Contents insurance policies are subject to charges and GST. In NSW, VIC and TAS, insurance companies are also required by law to collect a levy to pay for the Fire Services.

Government Charges*	NSW	Vic	QLD	SA	WA	TAS	NT	ACT
GST (Federal tax)	10%	10%	10%	10%	10%	10%	10%	10%
Stamp Duty (State tax)	9%	10%	7.5%	11%	10%	8%	10%	10%
Fire Services (State levy)	21%	Country 36% Metro 18%	x	x	x	28%	x	x

* *These rates are subject to change by the applicable State and Federal governments.*

How we calculate your premium

- Step 1** Choose your cover pack. We combine the pricing factors for the *level of cover* or cover pack you choose. When you first get a quote from us, your premium will be based on our Central Pack. You can then choose to **reduce your premium by reducing cover to our Base Pack**, or **increase cover and premium to our Buzz Plus Pack**. If you have selected both Building and Contents cover you will pay a lower premium than buying them separately.
- Step 2** Choose your excess. You can choose a higher basic excess to reduce your premium. See the excess section below for more information.
- Step 3** We then **calculate the cost** of any optional cover you may have chosen and the cost. Optional extras are only available on our Central and Buzz Plus packs.
- Step 4** We add applicable government charges.
- Step 5** Finally, we calculate the amount. We'll show you the amounts for the annual and monthly payment options. You can choose how you want to pay your premium from these two options.

How we work out your excess

What's an excess? It's what *you* pay towards the cost of a claim. If you choose a higher excess your premium will be reduced. If you make a claim, you will need to pay any excess to either the builder, repairer or supplier directly (we will tell you who to pay it to) or, sometimes, to us. We may not finalise a claim until you have paid any excess that applies.

The amount and types of excess payable are shown on your current *Certificate of Insurance*. You may have to pay more than one type of excess depending on your circumstances and the event that you are claiming for. See the **PDS** for more details about when a particular excess will apply.

Types of excess

- Basic
- Accidental damage
- Earthquake
- Security
- KidsAway
- Motor burnout (fusion)

Basic excess

To make insurance affordable, insurers ask customers to contribute an amount in the event of a claim. Here at **The Buzz** we provide you a choice of the basic excess you would be willing to pay. Your basic excess amount will be shown on your *Certificate of Insurance*.

If you choose a higher excess on your policy, you can decrease your premium. Or you can pay a lower excess and pay a higher premium. The choice is yours.

Your basic excess choices

You can choose from a range of basic excesses. If you have a combined home and contents policy you can choose a different level of excess for the building component than you have for your contents component.

Your basic excess for contents also applies to any **Valuables/Portable Valuables** claims.

Basic excess amounts you can choose:

Building excess Levels	Contents excess Levels
\$500	\$300
\$700	\$500
\$1,000	\$700
\$2,000	\$1,000
\$3,000	\$2,000
\$5,000	
\$7,000	
\$10,000	

Other types of excess that apply

There are times that an excess is paid in addition to the basic excess or in place of the basic excess. These instances are outlined below.

Accidental damage excess

If you have the *optional extra* cover accidental damage, and you lodge a claim for accidental damage, you need to pay an accidental damage excess of \$300. This is **in place of** the basic excess.

Earthquake excess

If you lodge a claim for earthquake damage you must pay an earthquake excess of \$100 **in addition** to any other excesses that apply, including the basic excess.

Security excess

Depending on the type of security in your home, the sum insured you have requested, and the risk that exists in your area, we may apply an additional security excess. If it applies to your policy it will show on your *Certificate of Insurance*. **The security excess is paid in addition** to the basic excess, for theft or vandalism or intentional act claims (read the **PDS** for more details on when this excess will apply).

KidsAway excess

If you have the optional extra cover KidsAway, and you lodge a claim under it, you need to pay a KidsAway excess of \$300. **This replaces** the basic excess for KidsAway claims.

Motor burnout (fusion) excess

If you have the fusion optional extra cover, and you lodge a claim for your fusion you need to pay a fusion excess of \$300. **This replaces** the basic excess for motor burnout (fusion) claims.

When an excess doesn't apply

You do not need to pay an excess for a liability claim.

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