

# Premium, Excess and Discount Guide

## Building, Contents and Personal Valuables

This RAC Building, Contents and Personal Valuables Insurance Premium, Excess and Discount (PED) Guide provides you with information about how we calculate our premiums and the excesses and discounts which may apply to your RAC Building, Contents and Personal Valuables Insurance policy.

You should read this PED Guide with your RAC Buildings, Contents and Personal Valuables Insurance Combined Product Disclosure Statement and Financial Services Guide.

This PED Guide applies to policies commenced on or after 23 November 2023 or renewed on or after 21 December 2023.

### About your premium

The premium is the amount you must pay us for your insurance cover. Your premium is shown on your schedule.

We consider a number of factors when calculating your premium including, but not limited to the following pricing factors:

Pricing factors	Buildings	Contents
Location of your building	✓	✓
The sum you are insured for	✓	✓
Age and construction type of your building	✓	✓
Who occupies your building	✓	✓
Your age	✓	✓
Whether you have amended your basic excess	✓	✓
Whether you pay your premium annually or in instalments	✓	✓
Costs associated with operating our business	✓	✓
Government charges	✓	✓
Discounts that may apply to you	✓	✓

We may use some or all of these factors to derive your premium.

All insurance risks are not the same and so the combination of factors used and relevance they have in the overall premium will differ for each risk.

You will need to specify the sum insured for your building and contents at the commencement of your cover. Please refer to our online calculators at [rac.com.au](https://rac.com.au) for guidance on calculating the sum insured.

You need to review your sum insured at the beginning of each subsequent period of insurance or when changes occur. We may also review the sum insured at the beginning of each subsequent period of insurance.

The sum insured is shown on your schedule.

When you renew your insurance your premium is likely to change, even if your personal circumstances have not. This is because the premium you pay is also affected by the cost of claims we have paid, or expect to pay, to other members and updated data we have available to calculate your premium.

### Cancellation charge

If you cancel your policy during the period of insurance, an administration fee of 10% of the unused premium will be applied to your refund.

### Credit card charges

We do not charge a merchant fee when you pay your premium or your excess by credit card.



**For the better**

## GST and government charges

Your RAC Building, Contents and Personal Valuables Insurance is subject to Goods and Services Tax (GST) and government charges (insurance duty) as shown below.

The amounts payable in GST and government charges for any given year are shown on your schedule

GST and government charges	Amount
GST	10%
Insurance duty	10%

## Instalment charges

If you pay your premium by instalments a 10% premium loading will apply. This amount is included in the premium shown on your schedule.

## Other fees and charges

No refund or request for payment will be made if:

- » Your policy is changed or cancelled and the premium refund or premium payable is less than \$10.
- » You make an under or overpayment to us of less than \$10.

## Excess

An excess is the amount you may be required to pay towards any claim. The amounts and types of excess applicable to your policy are shown on your schedule. You may have to pay more than one excess depending on the circumstances of your claim.

### Basic excess

You will be asked to pay this amount prior to any claim on your policy being finalised, unless you have paid an additional premium to remove it.

You can customise your cover to select the level of excess you want. The **standard** basic excess amounts are shown in the table below.

You can:

- » remove the building and/or contents basic excess by paying an additional premium; or
- » elect a higher building and/or contents basic excess to reduce your premium. (Minimum premiums apply).

If you have a claim where one event impacts your combined building and contents policies:

- » if you have taken the **standard** basic excesses as shown in the table below for both building and contents policies, then the basic excess is capped at a total of \$200; but
- » if you have elected a basic excess amount other than the **standard** basic excess for either your building or contents policies then the basic excess is no longer capped.

Insurance type	Standard basic excess
Building claim	\$200
Contents claim	\$200
Personal valuables claim	\$100
Contents accidental damage claim	\$350

## Examples of how the excesses apply for a combined policy are shown below

In the scenario where you have a combined building and contents policy and you have a claim for fire damage to your building and contents, the examples below show the excess amount you would pay in each example, depending on the excesses you elected for your building and/or contents policies.

Insurance type	Example 1	Example 2
Home building excess elected	\$200 <b>Standard</b> basic excess	\$500 basic excess
Home contents excess elected	\$200 <b>Standard</b> basic excess	\$200 <b>Standard</b> basic excess
Is the excess capped?	Yes	No
Excess that applies	\$200	\$700
Explanation	The excess is capped at \$200	\$500 building + \$200 contents excess

## Earthquake excess

In addition to the basic excess you will be required to pay an earthquake excess of \$500 for every claim for destruction or damage to your building if the damage is caused by an earthquake during any one 72 hour period.

## Flood excess

In addition to the basic excess you will be required to pay a flood excess of \$200 for every claim for loss, destruction or damage caused by flood.

## Special excess

We may decide to apply a special excess to your policy after taking into account factors that may affect your risk such as your building, your contents or your claims history.

A special excess is payable in addition to all other excesses.

You cannot pay an additional premium to remove a special excess.

## Discounts and savings

Your premium includes the discounts you are eligible for. Discounts may not apply to policy options and may be subject to a minimum premium. We may also offer additional discounts from time to time and the relevant terms and conditions will be specified as part of the offer. For details on specific discounts, refer to the information below or contact us on **13 17 03**.

### Combined discount

We offer a 15% discount to anyone who buys combined building and contents insurance.

### Alarm discount

You may be eligible for an alarm discount provided the alarm meets our approval criteria. This discount is available on a building and contents combined policy or a contents only policy and varies based on the type of alarm you have installed. The alarm discount only applies to the contents policy premium.

Alarm type	Discount
Non monitored alarm	Up to 12.5%
Monitored alarm	Up to 15%
RAC monitored alarm	Up to 25%

## RAC membership discount

We offer up to a 10% discount on RAC Building, Contents and Personal Valuables Insurance for Roadside Assistance, Affiliate and Wheels2go members.

RAC membership	Discount
Gold (25 or more years)	10%
Silver (10-24 years)	7.5%
Bronze (5-9 years)	5%
Blue (up to 4 years), red and <i>free2go</i>	0%

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For further information on this guide please visit [rac.com.au](http://rac.com.au)