



# Landlord Insurance

## Additional Information Guide

This Additional Information Guide (Guide) for Kogan Landlord Insurance provides you with more information about how we calculate premium, how excesses work, and how we settle claims under this policy.

This Guide applies to and should be read together with the Kogan Landlord Insurance Combined Financial Services Guide and Product Disclosure Statement QM9528-1022.

In this Guide, 'we', 'our', 'us', 'QBE' means QBE Insurance (Australia) Limited ABN 78 003 191 035, AFSL 239545.

### Relationship between the parties

This Kogan Landlord Insurance is issued and underwritten by QBE. Kogan Australia Pty Limited ABN 53 152 570 351, AR Number: 001256858 (Kogan.com) is an authorised representative of QBE and is authorised to distribute landlord insurance. For details on how Kogan.com is remunerated please see the Financial Services Guide section in the Combined Financial Services Guide and Product Disclosure Statement.

# Premium

Your premium is the cost of buying your policy. It is the amount we set by taking into account things like the chance of you making a claim under your policy, the cover options you've chosen, the overall cost of claims we expect to pay and our expenses of doing business, as well as other commercial factors.

Your premium also includes any discounts you've received, GST and other applicable government fees, duties and charges.

We use many factors to set your premium. The importance we place on these factors can change, and how we combine them to set the premium differs from policy to policy.

The significant factors we use to set your premium are:

<b>Factor</b>	<b>Description</b>
<b>Information about your rental property</b>	Including its location, types of construction materials, when your rental property was built, the type of building it is, the type of any swimming pool or spa it has, its number of storeys and the extent to which any part of it is above or below the ground.
<b>The sum insured of the buildings and/or contents</b>	The higher the sum insured for your rental property and/or contents you have selected, the higher your premium will be.
<b>How the property is rented</b>	Your premium will be higher if you rent the property out to paying guests for short term purposes, compared to if you rent it out to tenants as their primary residence.
<b>Information about anyone covered</b>	Including the age of the oldest insured and any buildings or contents insurance claims made by anyone covered in the relevant three year period. Your premium may be higher depending on the type of incident, and how long ago it was.
<b>Claims made on your policy</b>	Your premium may be higher for up to three following policy years, after one or more claims on your policy.
<b>Your selected Basic Excess</b>	The higher the Basic Excess you have selected, the lower your premium will be.
<b>Your payment frequency</b>	Your premium will be approximately 10% lower if you pay for your policy annually instead of by instalments.

## Cover options

An additional premium applies when you add the option to your policy:



### Rent Default by Tenant

The additional premium for this option is determined based on your weekly rental income, any rent default claims made by anyone covered in the relevant three year period, any rent default claims made on your policy in the prior three years, and your other policy details.

## Renewals

Each time you renew your policy, your premium is likely to change even if your insured circumstances haven't changed. This is because we use many factors to set your premium.

When we set your renewal premium, we consider how much it was before, and we may limit any increase in that renewal term.

## Discounts

We may offer discounts or other special offers from time to time. A discount that you have received will be displayed in the premium breakdown on your Certificate of Insurance or else included within your premium. GST and government charges are applied to the premium after all discounts and savings are applied.

Discount type	Description
<b>Combined Policy Discount</b>	A 10% discount is automatically applied when you take out both buildings and contents cover for the same address under the one policy.



## Excess

### When does an excess apply?

In most cases, you'll need to contribute an amount towards the cost of a claim.

The table below explains the excesses that apply to common claim types. For other types of claims, we'll tell you what excesses apply when you make a claim.

Please refer to your Certificate of Insurance for the excesses that apply to your policy.

## When does an excess apply?

Type of claim	If shown on your Certificate of Insurance				
	Basic Excess	Imposed excess	Renovation, Alteration, Addition or Repair Excess	Unoccupied Property Excess for Agreed period	Unoccupied Property Excess
		May apply due to your claims history	Only applies if we have agreed to provide cover for the works and the damage occurs as a direct result of the work being carried out	Only applies if we've agreed to provide cover for the period of unoccupancy and the incident occurs more than 90 days after your property was first unoccupied	Applies if you do not tell us that your property address will be unoccupied. Number of consecutive days unoccupied: 91-365 days: \$1,500 366+ days: \$4,500
<b>Insured events</b>					
Fire					
Escape of water or other liquid					
Accidental breakage of glass or sanitary fixtures	✓	✓	✓	✓	✓
Explosion					
Accidental Damage					
Theft					
Storm, storm surge, rain, hail or flood					
Vandalism or malicious act	✓	✓	✗	✓	✓
Burnout of electric motors					
Damage by animals (including birds)					
Lightning					
Earthquake or tsunami					
Collision	✓	✓	✗	✗	✗
Falling tree or branch					
Riot					
Legal Liability	✗	✗	✗	✗	✗
<b>Options you can add to your policy</b>					
Rent Default by Tenant option	✓	✓	✗	✗	✗



## Claim payment examples

These claims payment examples are based on hypothetical scenarios designed to illustrate how a claim payment might typically be calculated. These claims examples are a guide only and do not form part of your policy's cover.

If you lodge a claim under this policy, it will be assessed and settled in accordance with your policy's terms, including the terms and excesses stated on your Certificate of Insurance.


You should read the Combined Financial Services Guide and Product Disclosure Statement and your Certificate of Insurance for full details of cover including the policy limits, conditions and exclusions which apply to your policy.

Each claim example uses AUD currency, inclusive of GST, and assumes the claimant is not registered for GST.

### Example 1 – Hail damage to garage roof

Hail damaged the garage roof of Lucia's rental property.

#### Insurance details

<b>Buildings sum insured</b>	\$600,000	<b>Basic Excess</b>	\$750
<b>Buildings Sum Insured Safeguard</b>	 Eligible	<b>Cover option(s) selected</b>	None
		<b>Mortgage</b>	Nil
<b>Contents sum insured</b>	\$20,000	<b>Premium</b>	Paid by instalments


#### How we settled the claim

<b>Cost of repairs</b>	\$3,500	The garage roof could be repaired.
<b>Total claim cost</b>	\$3,500	We accepted this claim under the insured event "Storm, storm surge, rain, hail or flood".
<b>Excess</b>	\$750	We collected the Basic Excess from Lucia.
<b>Total paid out by us</b>	<b>\$2,750</b>	

## Example 2 – Theft of contents

Thieves broke into Jess' rental property while her tenants were out. They smashed a window to gain entry and stole a \$1,500 television and \$1,000 worth of garden appliances that Jess had provided for her tenants. The thieves also stole a bracelet, laptop and cash belonging to the tenants.

### Insurance details

<b>Buildings sum insured</b>	\$550,000	<b>Basic Excess</b>	\$500
<b>Buildings Sum Insured Safeguard</b>	 Eligible	<b>Cover option(s) selected</b>	None
		<b>Mortgage</b>	Nil
<b>Contents sum insured</b>	\$25,000	<b>Premium</b>	Paid by instalments


### How we settled the claim

<b>Cost of repairs</b>	\$700	The window was assessed as repairable and we paid for the cost of repairs.
<b>Cost of a new television</b>	\$1,500	We replaced the television.
<b>Replacement cost of garden appliances</b>	\$1,000	We paid to replace the garden appliances.
<b>Replacement cost of tenant's property</b>	\$0	We did not cover the bracelet, laptop, or cash as these belonged to the tenants.
<b>Total claim cost</b>	\$3,200	We accepted this claim under the insured event "Theft".
<b>Excess</b>	\$500	We collected the Basic Excess from Jess.
<b>Total paid out by us</b>	<b>\$2,700</b>	

### Example 3 – Fire claim

A bushfire destroyed Dennis' rental property. During the rebuild, Dennis chose to have a solar hot water heating system installed. He received no rent during the 24 weeks it took to rebuild the property. Dennis' tenants were on a formal lease agreement with a weekly lease of \$500. Dennis wanted to use his own builder.

#### Insurance details

<b>Buildings sum insured</b>	\$600,000	<b>Basic Excess</b>	\$600
<b>Buildings Sum Insured Safeguard</b>	 Eligible	<b>Cover option(s) selected</b>	None
		<b>Mortgage</b>	Nil
<b>Contents sum insured</b>	Not selected	<b>Premium</b>	Paid annually

#### How we settled the claim


<b>Rebuilding costs for Dennis' building</b>	\$630,000	Dennis' building was assessed as a total loss and the cost of rebuilding was greater than the buildings sum insured.  We automatically increased the buildings sum insured paid to Dennis to rebuild the rental property as per cover provided under the 'Buildings Sum Insured Safeguard'.
<b>Loss of rent</b>	\$12,000	We paid Dennis the rent he lost during the rebuild.
<b>Installation costs of solar hot water system</b>	\$2,500	Post rebates, the solar hot water system cost \$4,000. The maximum cover provided for "Environmental upgrades - buildings" is \$2,500.
<b>Total claim cost</b>	\$644,500	We accepted this claim under the insured event "Fire".
<b>Excess</b>	\$600	We collected the Basic Excess from Dennis.
<b>Total paid out by us</b>	<b>\$643,900</b>	

*Note: Once we paid Dennis' total loss claim his policy came to an end. Dennis was not entitled to any refund of premium paid as our contract with him had been fulfilled.*

## Example 4 – Damage by tenants

A post-tenancy inspection of Rhys' rental property showed the tenants had vandalised the property and used it to manufacture illegal drugs. There were broken windows, several holes in the walls, broken or missing kitchen cupboard doors and burn marks on the carpet in one of the bedrooms. Rhys immediately reported the vandalism and drug manufacture to the police. The tenants were on a formal let with a weekly rent of \$450. It took seven weeks to clean up and repair Rhys' property, during which it was unavailable to rent.

### Insurance details

<b>Buildings sum insured</b>	\$550,000	<b>Basic Excess</b>	\$750
<b>Buildings Sum Insured Safeguard</b>	 Eligible	<b>Cover option(s) selected</b>	None
		<b>Mortgage</b>	Nil
<b>Contents sum insured</b>	Not selected	<b>Premium</b>	Paid by instalments

### How we settled the claim


<b>Cost of emergency temporary repairs</b>	\$150	We paid for the temporary repairs required to keep the property safe and prevent further damage.
<b>Cost of chemical decontamination</b>	\$15,000	The police confirmed the rental property was used to manufacture illegal drugs. We paid for the chemical decontamination costs.
<b>Cost of repairs</b>	\$5,700	We repaired the damage to Rhys' property.
<b>Loss of rent</b>	\$1,350	Rhys was entitled to deduct bond money for the loss of rent for this period. We paid Rhys the rent he lost during the clean-up and repair process in excess of the bond collected.
<b>Total claim cost</b>	\$22,200	We accepted this claim under the insured event "Vandalism or malicious act".
<b>Excess</b>	\$750	We collected the Basic Excess from Rhys.
<b>Total paid out by us</b>	<b>\$21,450</b>	



## Example 5 – Cyclone claim

Eight months into her period of insurance, a cyclone destroyed Hannah's holiday rental. Hannah did not wish to rebuild the property. The cost to rebuild the rental property was \$475,000. It would have taken 30 weeks to rebuild. The balance on Hannah's mortgage was \$42,010. Hannah has rentals booked in of \$24,000 over the 30 weeks.

### Insurance details

<b>Buildings sum insured</b>	\$455,000	<b>Basic Excess</b>	\$750
<b>Buildings Sum Insured Safeguard</b>	 Eligible	<b>Cover option(s) selected</b>	None
		<b>Mortgage</b>	Yes
<b>Contents sum insured</b>	\$25,000	<b>Premium</b>	Paid by instalments

### How we settled the claim


<b>Rebuilding costs for Hannah's building</b>	\$475,000	The property was assessed as a total loss and the cost of rebuilding was greater than the buildings sum insured.  We automatically increased the buildings sum insured paid to Hannah to rebuild the rental property as per cover provided under the 'Buildings Sum Insured Safeguard'.
<b>Amount paid to the finance company</b>	\$42,010	We first paid the bank the amount owing on Hannah's mortgage.
<b>Amount paid to Hannah</b>	\$432,990	We paid Hannah the cost to rebuild, less the amount owing on her mortgage.
<b>Replacement cost of Hannah's contents</b>	\$25,800	The property was assessed as a total loss.  As eight whole calendar months had passed since the start of the period of insurance, we increased the contents sum insured by 3.2% to \$25,800 as per cover provided under the 'Sum(s) insured adjustment feature'.
<b>Loss of rent</b>	\$24,000	We paid Hannah for the expected loss of rent.
<b>Cost to discharge mortgage</b>	\$1,200	We reimbursed Hannah the costs of discharging her mortgage.
<b>Total claim cost</b>	\$526,000	We accepted this claim under the insured event "Storm, storm surge, rain, hail or flood".
<b>Excess</b>	\$750	We collected the Basic Excess from Hannah.
<b>Remaining premium instalments</b>	\$680	Before we finalised her claim, Hannah paid us her remaining instalments.
<b>Total paid out by us</b>	<b>\$524,570</b>	

Note: Once we settled Hannah's total loss claim, her policy came to an end as our contract with her had been fulfilled.

## Example 6 – Collision damage to boundary fences

A motorist lost control of their car and collided with two boundary fences of Sarah's rental property, destroying both. The motorist left the scene of the accident without leaving their details and there were no witnesses. Sarah shared one of these fences with a neighbour, while the other fence has no neighbour. The fences were identical, built at the same time and were the same length. Each fence cost \$4,000 to replace.

### Insurance details

<b>Buildings sum insured</b>	\$350,000	<b>Basic Excess</b>	\$1,000
<b>Buildings Sum Insured Safeguard</b>	 Eligible	<b>Cover option(s) selected</b>	None
		<b>Mortgage</b>	Yes
<b>Contents sum insured</b>	Not selected	<b>Premium</b>	Paid by instalments

### How we settled the claim


<b>Cost of repairs</b>	\$6,000	We paid for the total cost to replace the fence that was not shared. For the shared fence, we paid 50% of the replacement cost.
<b>Total claim cost</b>	\$6,000	We accepted this claim under the insured event "Collision".
<b>Excess</b>	\$1,000	We collected the Basic Excess from Sarah.
<b>Total paid out by us</b>	<b>\$5,000</b>	

## Example 7 – Burst dishwasher hose

A hose to the dishwasher in Shirley's rental property burst and flooded the kitchen, damaging the interior of the kitchen cupboards. The real estate agent called a plumber who charged \$150 to replace and connect the new hose. Shirley then called us to make a claim.

### Insurance details

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<b>Buildings sum insured</b>	\$440,000	<b>Basic Excess</b>	\$250
<b>Buildings Sum Insured Safeguard</b>	 Eligible	<b>Cover option(s) selected</b>	None
		<b>Mortgage</b>	Nil
<b>Contents sum insured</b>	\$15,000	<b>Premium</b>	Paid by instalments

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### How we settled the claim

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<b>Repairs to kitchen cupboards</b>	\$3,300	We repaired the kitchen cupboards. We did not reimburse Shirley for the new hose as we do not replace the item that causes the escape of water or other liquid.
<b>Total claim cost</b>	\$3,300	We accepted Shirley's claim under the insured event "Escape of water or other liquid".
<b>Excess</b>	\$250	We collected the Basic Excess from Shirley.
<b>Total paid out by us</b>	<b>\$3,050</b>	

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## Example 8 – Trip and fall on steps


Lisa's tenant Phil tripped and fell on the front steps of her rental property.

Phil suffered injuries which required treatment and he was unable to work for a short period of time. Phil brought a claim against Lisa alleging that she was legally liable for his injuries because the incident occurred on her property, and the steps were too slippery.

Lisa notified us of the claim Phil brought against her. We investigated the claim and assessed that there was a high probability that Lisa would be held legally liable if the matter proceeded to Court.

We spoke to Phil, and obtained further information from him about the extent of his injuries and his losses.

### Insurance details

<b>Buildings sum insured</b>	\$720,000	<b>Basic Excess</b>	\$1,000
<b>Buildings Sum Insured Safeguard</b>	 Eligible	<b>Cover option(s) selected</b>	None
		<b>Mortgage</b>	Nil
<b>Contents sum insured</b>	Not selected	<b>Premium</b>	Paid by instalments

### How we settled the claim

<b>Settlement paid to Phil</b>	\$25,000	We assessed the evidence supporting Phil's claim and compensated him to discharge Lisa's legal liability.
<b>Total claim cost</b>	\$25,000	We accepted this claim under "Legal liability".
<b>Excess</b>	\$0	Lisa's claim was under the "Legal liability" section of her policy, so her Basic Excess did not apply.
<b>Total paid out by us</b>	<b>\$25,000</b>	