



# Home Insurance Premium, Excess and Discounts Guide

**This NRMA Insurance Home Insurance Premium, Excess and Discounts Guide should be read with and forms part of the NRMA Insurance Home Insurance Product Disclosure Statement and Policy Booklet (PDS) prepared on 10 September 2023.**

It applies to all policies with a commencement date on or after 21 April 2024 or with a renewal effective date on or after 1 July 2024.

This guide provides further information about the cost of Your insurance and excesses You may need to pay if You make a claim. The capitalised terms used in this guide have the same meaning as those used in the PDS.

## How We work out Your Premium

Your Premium is the total amount We charge for providing You with insurance under the Policy. The price charged for each policy is unique to the individual purchasing the policy and is determined by Us through consideration of a range of factors relevant to Your personal circumstances, the nature of the risk insured and commercial considerations affecting Our business. The premium We quote on one day may be different to what We would quote on a later date.

Some of the factors We consider when calculating Your Premium include:

- Claims experience
- Commercial considerations
- Choice of excess and policy options
- Minimum & maximum premium
- Government charges

The above factors are explained in further detail within this Premium, Excess and Discounts Guide.

## Claims experience

Two significant factors in determining Your Premium are the likelihood of a claim being made on Your Policy in the future and the anticipated cost of a claim, if one were to occur.

Our experience shows there are a number of factors that are good indicators of the possibility of a claim being made and/or the cost of a claim, if one were to occur. Those factors and the weight We attach to them may vary according to Your circumstances.

For home buildings and contents insurance policies, some of the factors that We may take into account in determining Your Premium include a combination of some or all of the following:

- Policy type;
- level of cover;
- optional benefits You have chosen;
- the Sums Insured You have chosen;
- any Excesses or special conditions that apply;
- the materials used to build Your Home and when Your Home was built;
- the address of Your Home;
- the Flood risk and other natural perils risk of Your Home;
- how Your Home is occupied – for example, if You are an owner or renter;
- if there is an alarm installed and the type of alarm;
- Your age and claims history of Your Property and/or the insureds.

This is not an exhaustive list of the factors We take into account.

We collect information in relation to these factors from You and other sources and We use Our data, models and experience to assess how important each factor is for Your Policy. At any time We may change the relative significance of any of the factors or how they combine to affect Your Premium, and We may add or remove factors from the calculation as We require.

## Commercial Considerations

There are many additional commercial considerations We take into account when determining Your Premium. How important these commercial considerations are and how they work together to affect the calculation of Your Premium will differ from customer to customer. These commercial considerations might be general to Our business as well as specific to You.

Commercial considerations We may take into account can include, but are not limited to, the following:

- Our assessment of market forces and competitive factors including estimates of the number of customers that may purchase or renew Our insurance products;
- the costs and profitability considerations of operating Our business;
- Our reinsurance costs;
- Commercial factors relevant to the operation of Our business such as Our assessment of the price We think is appropriate to attract and retain Your business; and
- the operation of any discounts, marketing offers, taxes and charges.

Your Premium is likely to change each time You renew Your Policy because Your circumstances, the considerations We take into account and Our weighting of them will change. We also consider Your previous Premium and may take steps to limit the change in Your Premium at renewal of Your Policy.

## Choice of Excess and Policy options

If You have chosen a higher Standard Excess, this may reduce Your Premium. If You have chosen to lower Your Standard Excess, this may increase Your Premium. You should make sure the Standard Excess You choose is appropriate for You, taking into account Your Sum Insured and the limits of any additional benefits or optional benefits.

Depending on the type of cover You have chosen, You may add optional benefits to Your Policy by paying any additional Premium amount that applies. The optional benefits available under Your Policy are shown in the Product Disclosure Statement and any optional benefits You have chosen will be shown on Your Certificate of Insurance.

## Minimum and maximum Premium

Your Premium, as adjusted by any discounts You may be eligible for, are subject to minimum and maximum premiums. We consider the minimum and maximum amounts We are prepared to sell the Policy for and may adjust Your Premium to ensure it does not fall outside that range. Any discounts will be applied to Your Policy, only to the extent any minimum premium is not reached. When We determine Your Premium on renewal, We may also limit any increases or decreases in Your Premium by considering factors such as Your previous year's Premium amount. This means that any discount You may be eligible for may be reduced if it would have the effect of reducing the Premium below the minimum premium level We have determined.

## Government charges

Premiums for home buildings and contents insurance policies are subject to Commonwealth and state taxes and/or charges which include stamp duty and Goods & Services Tax and may include fire or emergency services levies if applicable. Any government charges forming part of Your Premium will be shown on Your Certificate of Insurance.

## Discounts

You may be eligible for a Multi-Product discount and a Relationship discount. We calculate the discounts that apply to Your Policy, and Your Premium will be adjusted to include any applicable discounts. Please see the 'Multi-Product discount' and 'Relationship discount' section of this guide for further details.

If more than one discount applies to Your Policy, We will apply each subsequent discount in a predetermined order to the already discounted Premium.

For example, if You are eligible for two 10% discounts, the second discount will apply to the Premium that has already been discounted by 10%. This means the discounts are applied one at a time, after each other, in a particular order, as opposed to adding them together and applying them as a 20% discount.

While We may offer discounts at renewal, including the Multi-Product and/or Relationship discount, the discounted renewal Premium is not directly comparable to the Premium a new customer might receive.

The amount and type of any available discounts may be changed or withdrawn at Our discretion at renewal. We may change or withdraw those discounts without notice. Any discounts may be subject to rounding.

If You have any questions about the discounts that are available to You, and how We have applied these to Your Policies, please call us on 132 132 to discuss this with one of Our consultants.

## Multi-Product discount

You may qualify for a Multi-Product discount off Your Premium when You hold two or more eligible products that are current with NRMA Insurance as described below.

Eligible Products	Discount
1	0%
2-3	5%
4-8	10%
9+	15%

If You acquire a new eligible product and qualify for the Multi-Product discount, You will receive the applicable discount on the Premium of the insurance for that new eligible product.

For Your existing eligible products, any change to Your Multi-Product discount generally applies from the next renewal after You qualify (including any existing eligible products You purchase on the same day). When adding an additional product to an existing Policy, any change to the Multi-Product discount for other products on the existing Policy will be updated from the next renewal date.

If You become eligible for an updated Multi-Product discount around the time Your existing products are due for renewal, the updated Multi-Product discount may not be applied to those renewing products (the updated discount will be applied on the subsequent renewal).

If there is more than one person named as an insured on a Policy, We will base it on the individual with the highest product count when completing the Multi-Product discount calculation. If an additional person with a higher product count is added to Your Policy, the Multi-Product discount will remain unchanged until the Policy next renews.

When We complete the Multi-Product discount calculation, We will use the Policy start date of Your Policy, not the date that You purchase Your Policy to determine which products to include in the calculation. This means that it is important that You purchase Your Policies in the order of the earliest start date to the latest start date so that the Multi-Product discount can be appropriately applied. For example, if You want to purchase three Policies today and Policy 1 will start today, Policy 2 will start 4 days from now and Policy 3 will start 10 days from now, You should purchase Policy 1 first, then Policy 2 and then Policy 3.

For more information on how the Multi-Product discount will be applied, see the Examples below.

The following table outlines the eligible products that qualify for the Multi-Product discount:

NRMA Products*	Included in Multi-Product Discount Calculation	Multi-Product Discount Applied
Home Building	Yes	Yes
Home Contents	Yes	Yes
Car	Yes	Yes
Classic	Yes	Yes
Motorcycle	Yes	Yes
Caravan	Yes	Yes
Trailer	Yes	Yes
Boat	Yes	Yes
Motorhome	Yes	Yes
Landlord Building	Yes	Yes
Landlord Contents	Yes	Yes
Compulsory Third Party (CTP) **	Yes (NSW and ACT only)	No
Residential Strata	No	No
Travel	No	No
Life Insurance	No	No
Funeral Insurance	No	No
Business Insurance	No	No
Farm Insurance	No	No
Income Protection	No	No
Single Item Insurance	No	No
NRMA Home Loans	No	No
NRMA Roadside Assistance ***	Yes (NSW and ACT only)	No

\*Any additional benefits or optional benefits do not count as additional/individual products. For example, Portable Valuables Cover offered as part of Home Contents Insurance does not contribute to the Product Count for the Multi-Product discount calculation.

\*\* Applies to CTP policies taken out in NSW and the ACT.

\*\*\* Up to a maximum of one Roadside Assistance product per policy holder. Excludes NRMA Business Membership, Car Batteries, My NRMA Memberships and Traveller Care. NRMA Membership is provided by National Roads and Motorist Association Limited ABN 77 000 010 506, trading as NRMA Motoring & Services and is separate and independent from NRMA Insurance.

## Multi-Product discount examples

### Example 1 – Existing Policies and multiple products purchased on the same day

For existing Policies, any change to the Multi-Product discount will be updated from the next renewal date.

For example, if You purchase Car Insurance and this is the only product You have with NRMA Insurance, Your Multi-Product discount will be 0% as You will not qualify for a Multi-Product discount.

If You then purchase Combined Home Buildings and Home Contents Insurance, this will be counted as two products in the Multi-Product discount calculation (in addition to Your Car Insurance).

In this example, Your product count will be three and You will qualify for a 5% Multi-Product discount on the combined Home Buildings and Home Contents Insurance.

The Multi-Product discount calculation will be updated on Your existing Car Insurance when it next renews, at which point it will qualify for the 5% Multi-Product discount (assuming You still have Your Home Buildings and Home Contents Insurance).

This will apply even if You purchase Your Car Insurance and then the combined Home Building and Home Contents Insurance on the same day.

## Example 2 – Joint Policy holders

A new Landlords Insurance Policy is being purchased which will have two people listed as being insured. These people have the following other insurances in place.

### Insured Person #1:

- Combined Home Building and Home Contents Insurance (2 products)
- Car Insurance (1 product)
- Caravan Insurance (1 product)

Product count = 4

### Insured Person #2:

- Car Insurance (1 product)
- Home Contents Insurance (1 product)

Product count = 2

The Multi-Product discount calculation for the new Landlord Insurance will be based on the product count of Insured **Person #1** (four existing products plus the new Landlords Insurance product (one product)), for a total product count of five because they have the highest product count.

The new Landlords Insurance will attract a Multi-Product discount of 10%.

When Insured **Person #1's** existing Policies are due for renewal, the Landlord Insurance will be included in the product count for those existing Policies and the applicable Multi-Product discount will be applied. In this example, Insured **Person #1's** product count will be five, and the Multi-Product discount of 10% will be applied to the renewal Premium of their existing Policies, assuming no other changes are made to the number of products.

When **Insured Person #2's** existing Policies are due for renewal, the Landlord Insurance will be included in the product count for those existing Policies and the applicable Multi-Product discount will be applied. In this example, **Insured Person #2's** product count will be three, and the Multi-Product discount of 5% will be applied to the renewal Premium of their existing Policies, assuming no other changes are made to the number of products.

## Example 3 – Adding an additional product to an existing Policy

For example, if You have one car insured and this is the only insurance You have with NRMA Insurance, Your Multi-Product discount will be 0% as You will not qualify for a Multi-Product discount as You only have one product insured with NRMA Insurance.

If You then add a second car to Your existing Policy (or purchase another standalone Policy), this will be counted as two products for the Multi-Product discount, and You will qualify for a 5% Multi-Product discount on the newly added car at the time You add it to Your Policy.

The Multi-Product discount calculation will be updated on Your initial car when the Policy renews, at which point the 5% Multi-Product discount will be applied to this car.

## Relationship discount

You may qualify for a Relationship discount off Your Premium for holding an eligible NRMA Insurance Policy for more than 5 consecutive years.

Relationship	Discount
0–4 consecutive years	0%
5–9 consecutive years	5%
10+ consecutive years	10%

If You acquire a new eligible Policy and qualify for the Relationship discount, You will receive the applicable discount on the Premium of the new eligible Policy.

If there is more than one person named as an insured on a Policy, We will base it on the individual with the highest years of relationship when completing the Relationship discount calculation. If an additional person with higher years of relationship is added to Your Policy, the Relationship discount will remain unchanged until the Policy next renews.

For Your existing eligible Policies, any change to Your Relationship discount generally applies from the next renewal after You qualify.

If You become eligible for an updated Relationship discount around the time Your existing eligible Policies are due for renewal, the updated Relationship discount may not be applied to those renewing Policies (the updated discount will be applied on the subsequent renewal).

The following table outlines the eligible Policies that qualify for the Relationship discount:

NRMA Products*	Included in Relationship Discount Calculation	Relationship Discount Applied
Home Building	Yes	Yes
Home Contents	Yes	Yes
Car	Yes	Yes
Classic	Yes	Yes
Motorcycle	Yes	Yes
Caravan	Yes	Yes
Trailer	Yes	Yes
Boat	Yes	Yes
Motorhome	Yes	Yes
Landlord Building	Yes	Yes
Landlord Contents	Yes	Yes
Compulsory Third Party (CTP) **	Yes (NSW and ACT only)	No
Residential Strata	No	No
Travel	No	No
Life Insurance	No	No
Funeral Insurance	No	No
Business Insurance	No	No
Farm Insurance	No	No
Income Protection	No	No
Single Item Insurance	No	No
NRMA Home Loans	No	No
NRMA Roadside Assistance	No ***	No
My NRMA Membership	No ***	No
NRMA Business Membership	No	No

\*Any additional benefits or optional benefits do not count as additional/individual products. For example, Portable Valuables Cover offered as part of Home Contents Insurance does not contribute to the Product Count for the Relationship discount calculation.

\*\* Applies to CTP Policies taken out in NSW and the ACT.

\*\*\* Where a policy holder is a member of National Roads and Motorist Association Limited ABN 77 000 010 506, trading as NRMA Motoring & Services and held a longer Years of Relationship under the previous Loyalty Discount as at 20 April 2024, that longer Years of Relationship may be included in the Relationship Discount calculation for such period that the NRMA insurance relationship is maintained.

## Relationship discount examples

### Example 1 – Application on new Policy purchases

You have held an eligible NRMA Insurance Policy for seven consecutive years and purchase a new NRMA Insurance Combined Home Buildings and Home Contents Insurance Policy.

A Relationship discount of 5% will be applied to the Premium of the new NRMA Insurance Combined Home Buildings and Home Contents Insurance Policy.

## Example 2 – Joint Policy holders

For example, a new Car Insurance Policy is being purchased which will have two people listed as being insured.

**Insured Person #1:** Has held an eligible insurance Policy with NRMA Insurance for 3 consecutive years.

**Insured Person #2:** Has held an eligible insurance Policy with NRMA Insurance for 14 consecutive years.

We will apply a Relationship discount to the new Car Insurance Policy of 10%, reflecting the 14 consecutive years that **Insured Person #2** has been with NRMA Insurance.

## Example 3 – Adding additional insured persons to Your existing Policy

You have held an eligible Home Building and Home Contents Insurance Policy with NRMA Insurance for 3 consecutive years and Your Relationship discount is 0%.

Four months into the period of the insurance for this Policy, You add **Insured Person #2** as a named insured on the Policy. **Insured Person #2** has held Car Insurance with NRMA Insurance for 14 consecutive years.

The Relationship discount on the Combined Home Building and Home Contents Insurance Policy will remain unchanged until the Policy renews, at which time a Relationship Discount of 10% will be applied to calculate Your Premium.

## Online discount

If You take out Your Policy online, You may receive a discount on the Premium for Your first Period of Insurance only. If You do not take out Your Policy entirely online, You may pay a higher Premium for Your first Period of Insurance than if You had taken out Your Policy entirely online.

## Campaigns and other discounts

We may also offer discounts as part of a marketing campaign or other arrangement. Separate terms and conditions may apply to such campaigns and other discounts, including that You may not be eligible for those campaigns and other discounts and that some campaigns and other discounts may only be available on new Policy purchases.

## Excess

An Excess is Your contribution towards the cost of a claim. Your Certificate of Insurance shows the type of Excess(es) that applies to Your Policy and the amount of the Excess(es). We may apply more than one type of Excess. We will tell You if You need to pay an Excess, or more than one Excess. If We request You pay the Excess, We will tell You who to pay and may require payment as part of the finalisation of Your claim. You cannot pay an additional Premium to remove any Excess from Your Policy.

There are two types of Excess that may apply to Your Policy:

<b>Standard Excess</b>	this applies to most claims under the Policy; and
<b>Imposed Excess</b>	this applies in addition to the Standard Excess if it is shown and as set out on the Certificate of Insurance.

## Standard Excess

If You make any type of claim You must pay the Standard Excess that applies. The Standard Excess will be shown on Your Certificate of Insurance.

In some circumstances a Standard Excess does not apply – see the “When an Excess does not apply” section for details.

If You have both ‘Building’ and ‘Contents’ insurance under Your Policy, You can choose a different Standard Excess for Your ‘Building’ and ‘Contents’ insurance. If You make a claim for loss or damage under:

- ‘Building’ insurance, You must pay Us the Standard Excess for ‘Building’ shown on the Certificate of Insurance;
- ‘Contents’ insurance, You must pay Us the Standard Excess for ‘Contents’ shown on the Certificate of Insurance; and
- both ‘Building’ and ‘Contents’ insurance, You only pay Us one Standard Excess whichever is higher of the Standard Excess for ‘Building’ or the Standard Excess for ‘Contents’.

## Imposed Excess

This Excess is paid in addition to any Standard Excess if it is shown and as set out on the Certificate of Insurance. An Imposed Excess may be applied by Us if We assess there is a higher risk. For example, if Your Home will be unoccupied for a long period of time, We may apply an Imposed Excess for any claims made while the Home is unoccupied. We will set out details of any Imposed Excess and the circumstances in which it applies on the Certificate of Insurance.

## When an Excess does not apply

You will not be required to pay one or more Excesses in the following circumstances:

- If You make a claim under 'Cover for liability'; or
- If You make a claim for an incident We are satisfied someone else is responsible for and:
  - You can provide the name and address of that person; and
  - the amount of the claim is more than the Standard Excess.

In order for Us to resolve whether You or someone else is responsible for an incident, We may request additional information – for example, witness statements or photographs – and consider any laws, bylaws or rules that apply to the claim circumstances.

**If there is anything You don't understand or if you have any questions about this NRMA Insurance Home Insurance Premium, Excess and Discounts Guide, please contact Us on 132 132 or visit [nrma.com.au](http://nrma.com.au).**