

Premiums, Excess and Discount Guide

About this Premium Excess and Discount guide (PED)

This guide applies to Home and contents policies and provides information about the cost of your insurance and any excesses you may need to pay in the event you make a claim.

How we calculate your premium

We take various factors into consideration when we calculate your premium. These include:

- Pricing factors
- Government charges
- Other commercial factors

Pricing Factors

The below table describes some of the pricing factors we may consider when we calculate your premium.

Pricing Factor
The type of cover – for example, whether you opt to insure your home, contents, special contents, portable personal valuables or other items
The type of dwelling – for example, whether your home is a house, cabin, caravan or other structure
The construction of your home – for example, the cladding, roof materials or roof pitch
How your home is used – for example, if the property is your permanent residence or if it is a holiday property
The location of your home – for example, the state or territory it is located
The age of your home
Your previous insurance history – for example, if you have a no claim bonus or how many claims you have made
The excess you select – for example, opting for a lower excess will generally increase the cost of your premium
The amount insured (sum insured)

Government charges

Depending on the jurisdiction in which your home resides, certain government charges apply. For example, Goods and Services Tax (GST), Fire/Emergency Services Levy (FSL/ESL) and Stamp Duty (SD).

Other commercial factors

These factors affect the premium you pay, including costs associated with operating our business. Each time you get a quote or renew an existing policy, your premium is likely to change, even if your personal circumstances remain unchanged.

Excesses

In the event you make a claim, an excess may apply. The type of excess and the amount that is due may vary depending on the events that lead you to make a claim and the excess option you may have chosen.

Basic Excess

When you take out a policy with MHIA, you have the option to select your preferred excess. Our default excess is \$500; however you may opt for a different excess depending on your individual circumstances. The excess options available are outlined below.

Basic excess options

\$0, \$50, \$100, \$300, \$750, \$1000, \$5000

Earthquake Excess

The earthquake excess is \$500.

Mechanical & electrical breakdown excess

The mechanical and electrical breakdown excess is \$100.

Discounts

MHIA may offer a discount in the form of a no claim bonus (NCB). This will depend on your insurance and claims history and may change over the course of your relationship with MHIA.

No Claim Bonus

We give you a no claim bonus when you have had 2 or more continuous years claims free. If you are eligible for a no claim bonus you will be rewarded with a discount in your premium calculations.

When calculating the premium you are to pay, we consider the pricing factors and run it through our pricing algorithm. The pricing algorithm has the below sequence. If you are eligible for a no claim bonus, the discount will be added in step 3.

1. The value you insure your home and/or contents
2. The location of your home and/or contents
3. Whether you have a no claim bonus
4. What materials your home is made from as well as the age of the house
5. Ensures the premium meets our minimum and maximum premium guidelines

Minimum and Maximum Premium

Your premium, including 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. This means that any discount you may be eligible for may be reduced.