

Guide to Premiums, Discounts and Excesses

This guide should be read in conjunction with the relevant Guild Insurance Product Disclosure Statement and Policy booklet for the following policies:

Policy Type	Product Disclosure Statement and Policy	
Home & Contents	Home Essential Insurance	(dated 1 November 2010)
	Home Elite Insurance	(dated 1 November 2010)
Car Insurance	Comprehensive Car Insurance	(dated 1 November 2010)

Home and Contents Policies

This section is relevant to our Home Essential Insurance and Home Elite Insurance policies, which offer cover for your home, contents, personal property items and your legal liability.

Premiums

How we calculate your premium

The amount we charge you for your insurance when you first insure with us and when you renew is called the premium. We calculate your premium after taking a variety of factors into account. Some factors can affect the amount of your premium. The higher your risk profile, the higher your premium. Using our experience, we decide what factors will increase your risk profile and how they impact on the premium.

Your premium also takes into account our obligation to pay any relevant compulsory government charges, taxes or levies (eg stamp duty, GST and fire services levy), in relation to your policy. These amounts will be shown separately on your policy schedule as part of the total premium payable.

The following table is a guide to how these factors combine together and may influence our assessment of the risk and, therefore, your premium.

FACTOR	MAY REDUCE PREMIUM	MAY INCREASE PREMIUM
The postcode where your home and/or contents are located	Lower risk postcode	Higher risk postcode
The amount you choose to insure your home and/or your contents	Lower sum insured	Higher sum insured
Types of covers selected for your policy	Both home and contents taken together	N/A
The age of your home	Lower age	Higher age
The construction type of your home	N/A	Non-brick
The purpose for which your home is used	N/A	Holiday home, or rented to tenants
The security of your home	Approved alarm system	Poor security
The amount of your excess	A higher excess	N/A

How you can pay your premium

You can pay your premium in a single payment or in 12 monthly instalments from your credit card account. If you pay in instalments we may add an administration charge and you could pay more than if you pay in a single payment. However, currently we do not add an administration charge.

If in the future we introduce an administration charge this will not apply before your next renewal date and it will be shown on your renewal invitation and policy schedule.

Discounts

Combined home and contents policies

If you insure both your home and contents on the same policy we consider this to reduce your risk profile and therefore we automatically reduce the premium you pay. This is not shown as a separate discount.

Special promotional discounts

We may offer special promotional discounts to some customer groups from time to time. Any discounts you are entitled to are included in the premium we charge you and will be shown on your policy schedule.

Excesses

When you make a claim under your policy, you may be required to pay an excess in respect of your claim. The excess applies to claims under the Home, Contents, Personal Property and Legal Liability sections. The excess is only applied once per event, even if you claim under more than one section.

The amount of any standard excess may vary between states, but currently is \$300 in each state. We may give you the option of selecting a higher excess. The higher the excess you choose, the lower your premium. If you choose a higher excess, this **replaces** the standard excess. You can choose from the following higher policy excesses: \$500, \$750 or \$1,000.

If we consider that your insurance history or other factors require it, we may apply a higher policy excess.

The excess applicable to your policy is shown on your policy schedule.

You do not have to pay the excess when you make a claim, however you will have to pay the excess before we will pay any money in relation to your claim.

Car Insurance Policies

This section is relevant to our Comprehensive Car Insurance policy, which offers cover for your vehicle and your legal liability for death or bodily injury to other people or damage to someone else's property.

Premiums

How we calculate your premium

The amount we charge you for your insurance when you first insure with us and when you renew is called the premium. We calculate your premium after taking a variety of factors into account. Some factors can affect the amount of your premium. The higher your risk profile, the higher your premium. Using our experience, we decide what factors will increase your risk profile and how they impact on the premium.

The following table is a guide to how these factors combine together and may influence our assessment of the risk and, therefore, your premium.

FACTOR	MAY REDUCE PREMIUM	MAY INCREASE PREMIUM
The postcode where your vehicle is kept	Lower risk postcode	Higher risk postcode
The make and model of your vehicle	Lower risk vehicle	Higher risk vehicle
The value of your vehicle	Lower value	Higher value
The way you insure your vehicle	N/A	Agreed value
Your driver rating	Lower rating	Higher rating
Age and gender of the driver(s)	Lower risk age group	Higher risk age group
Security devices fitted to your vehicle	Approved security devices that reduce the risk of theft	N/A
The amount of your optional excess	An optional excess higher than the standard excess	N/A
Options selected	N/A	Hire car option

Your premium also takes into account our obligation to pay any relevant compulsory government charges, taxes or levies (eg stamp duty, GST and fire services levy) in relation to your policy. These amounts will be shown separately on your policy schedule as part of the total premium payable.

How you can pay your premium

You can pay your premium in a single payment or in 12 monthly instalments from your credit card account. If you pay in instalments we may add an administration charge and you could pay more than if you pay in a single payment. However, currently we do not add an administration charge.

If in the future we introduce an administration charge this will not apply before your next renewal date and it will be shown on your renewal invitation and policy schedule.

Discounts

Optional excess

You can choose to pay an optional excess, in addition to the standard excess applicable to your policy. We consider this to reduce your risk profile and therefore we automatically reduce the premium you pay. This is not shown as a separate discount.

Your driver rating and no-claim bonus

Your no-claim bonus (NCB) entitlement is based on your driver rating, which reflects our assessment of your risk profile. The lower your driver rating is, the greater your no-claim bonus. Your driver rating will be shown on your policy schedule.

We automatically reduce the premium you pay to reflect your no-claim bonus. This is not shown as a separate discount. The following discounts and loadings are included when calculating your premium:

Driver rating	1	2	3	4	5	6	7
NCB	-60%	-50%	-40%	-30%	-20%	0%	+20%

Special promotional discounts

We may offer special promotional discounts to some customer groups from time to time. Any discounts you are entitled to are included in the premium we charge you and will be shown on your policy schedule.

Excesses

When you make a claim under your policy, you may be required to pay an excess in respect of your claim. The amount of any excess may vary between states and is shown on your policy schedule.

We may give you the option of selecting a higher excess. The higher the excess you choose, the lower your premium.

Excesses that may apply to your policy and the amounts will be shown on your policy schedule. The types of excess that may apply are:

• Standard excess

This is the minimum amount that you may be required to contribute towards your claim.

The standard excess varies between states. Currently the standard excesses are:

ACT	NSW	NT	QLD	SA	TAS	VIC	WA
\$600	\$600	\$400	\$550	\$400	\$400	\$600	\$400

• Optional excess

You can also choose to pay a lower premium by selecting an optional excess. The optional excess you choose is **in addition** to the standard excess. The higher the optional excess you choose, the lower your premium.

You can choose from the following additional optional excesses: \$250, \$500, \$750 or \$1,000.

• Age excess

An additional excess will apply to drivers who are under the age of 21 or between the ages of 21 and 24. The age excess is **in addition** to your standard excess plus any optional excess you have chosen, or any imposed excess that we have applied.

Currently the age excesses applicable are:

– Less than 21 years of age	\$1,500
– Age 21 to less than 24 years of age	\$1,000

• Inexperienced driver excess

An additional excess will apply to drivers who are over 24 years of age but have not held their Australian licence for two consecutive years or more. The inexperienced driver excess is **in addition** to your standard excess plus any optional excess you have chosen, or any imposed excess that we have applied.

Currently the inexperienced driver excess is \$750

• Imposed excess

If we consider that your insurance history, driving record, vehicle type or for other factors requires it, we may apply an imposed excess to your policy that **replaces** the standard and optional excesses.

You do not have to pay the excess when you make a claim, however you will have to pay the excess before we will pay any money in relation to your claim.

We will tell you when an excess is payable. You may need to pay more than one excess when you make a claim.