



Home and Contents Insurance

September 2021

What are the Canstar Home and Contents Star Ratings and Awards?

Canstar Home and Contents Star Ratings use a sophisticated and unique ratings methodology that compares both cost and features across home and contents insurance policies. Canstar Star Ratings represent a shortlist of products, enabling consumers to narrow their search to products that have been assessed and ranked.

Eligibility Requirements

To be eligible for inclusion in the Canstar Home and Contents Insurance Star Ratings and Awards, a policy must:

- Be available directly to consumers.
- For comparison purposes, a quote must be available:
 - Online or via phone.
 - For all addresses considered within the profile being rated.
- Providers must have been in the market for at least 12 months.

Profile Description

Home and Contents insurance products are rated across 40 profiles, including eight regions, three cover types and either one (Home) or two (Home and Contents, and Contents) different sum insured amounts.

The cover types, sum insured amounts and the regions considered within each profile are as follows:

Cover Type	Sum Insured Amounts	State
Home	Building Sum Insured is based on property rebuild costs informed by Insurance Council Australia estimates.***	New South Wales
		Victoria
Contents	\$50,000 \$125,000	Queensland*
		North Queensland **
		Northern Territory
Home and Contents Package	Building Sum Insured & \$50,000 contents Building Sum Insured & \$125,000 contents	South Australia
		Western Australia
		Tasmania

*Queensland includes Rockhampton and all areas south.

**North Queensland is the portion of Queensland north of Rockhampton.

***For those insurers who would not insure for Building Sum Insured, the next closest sum insured amount was used for quoting purposes.

Star Ratings Methodology

Each eligible home and contents insurance product reviewed is awarded points for its comparative pricing and for the array of features attached to the product. Points are aggregated to achieve a price score and a feature score.

To arrive at the total score, Canstar applies a weight against the price score and the feature score. The weights reflect the relative importance of costs and features in determining the products offering outstanding value. This method can be summarised as:



Price Score

The quotes used for the Canstar Home and Contents Insurance Outstanding Value Awards are for new policies as opposed to renewal prices, which can differ.

Peer products are compared and the products with the lowest cost are awarded the highest price score and all other products are awarded a relative score in comparison to the market average premium over a normal distribution.

Net Cost

The price score takes into consideration annual and monthly insurance premiums as well as the policy excess.



Weight distribution between Net Monthly Premium and Net Annual Premium is informed by the most recent Customer Satisfaction Data.

7.5% of the total excess is applied to the premium. Applying this loading ensures that the impact on the net cost of the policy in the instance where a claim is made is accounted for in the Price Score.

Excess

For comparison purposes, an excess amount is used for quotes (i.e. the “target excess”). When the target excess amount is not offered as an option for a product, the closest excess amount is instead selected. When there is more than one excess amount of equal distance from the target excess, the lower excess amount is selected.

Target Excess
\$500

Quoting Assumptions

Some key assumptions made when obtaining quotes relate to the property's estimated sum insured, the policyholder's age, address and property attributes (such as construction material, roof material, bedrooms, etc.), For quoting purposes, fifteen addresses are selected.

Property attributes and the sum insured are unique to each address, informed by external data sources such as the Insurance Council of Australia.

Feature Score

The feature score takes into account a number of features within six different categories, with individual features allocated points and each category, and subcategory, assigned a weighting. The product with the highest feature score is allocated the maximum score with all remaining products within the profile indexed against it.

The feature categories and subcategories, with assigned weights, are:

Category	Home	Contents	Packaged
Application	5%	5%	5%
Payment	5%	5%	5%
Cover	75%	75%	75%
Building Cover	55%	-	30%
<i>Building Inclusions</i>	40%	-	40%
<i>Underinsurance Protection</i>	30%	-	30%
<i>Settlement Options</i>	15%	-	15%
<i>Fusion of Electric Motor (Building)</i>	10%	-	10%
<i>Other Benefits (Building)</i>	5%	-	5%
Contents Cover	-	55%	30%
<i>Contents Inclusions</i>	-	50%	50%
<i>Fusion of Electric Motor (Contents)</i>	-	20%	20%
<i>Portable Items Cover</i>	-	20%	15%
<i>Contents Inclusion Limits</i>	-	10%	15%
Accidental Damage	15%	15%	10%
Events Cover	25%	25%	25%
<i>Flood</i>	35%	35%	35%
<i>Storm</i>	30%	30%	30%
<i>Defined Events</i>	20%	20%	20%
<i>Theft or Attempted Theft</i>	15%	15%	15%
Liability Cover	5%	5%	5%
Landlord Cover	-	-	-
<i>Malicious Damage</i>	-	-	-
<i>Rent Loss due to Tenant Default</i>	-	-	-
<i>Burglary</i>	-	-	-
<i>Liability Cover</i>	-	-	-
<i>Additional</i>	-	-	-
Service	5%	5%	5%
Customer Self Service	50%	50%	50%
Insurer Support Services	50%	50%	50%
Claim Channels	5%	5%	5%
Cancellation	5%	5%	5%

What are the Canstar Home and Contents State Awards?

Eligibility Criteria

Eligibility for Canstar's Home and Contents Insurance State Awards is overseen by the Research Committee. As a guide, a policy should follow the below criteria:

- Be available directly to consumers.
- For comparison purposes, a quote must be available:
 - Directly from the provider, online or via phone
 - For all addresses considered within each profile.
- Providers must have been in the market for at least 12 months.

State Award Methodology

For award purposes only, an additional rating is calculated for those products that are considered to offer Base-Plus cover. To be considered Base-Plus cover a policy must provide:

- The option to cover Accidental Damage (Home)
- Flash Flooding due to heavy rain as a standard requirement (Home)
- Storm Cover as a Standard Inclusion (Home)
- The option for Fusion Cover (Contents)
- Availability of theft cover (Contents)
- Accidental Breakage as a Standard Inclusion (Contents)

To determine the winners of Canstar's state awards, an insurer's top performing product within each profile is used, where the product meets the eligibility criteria outlined above. Equal weight is placed on Base cover and Base-Plus cover to determine the overall winner in each state/region considered.



What is the Canstar Home and Contents National Award?

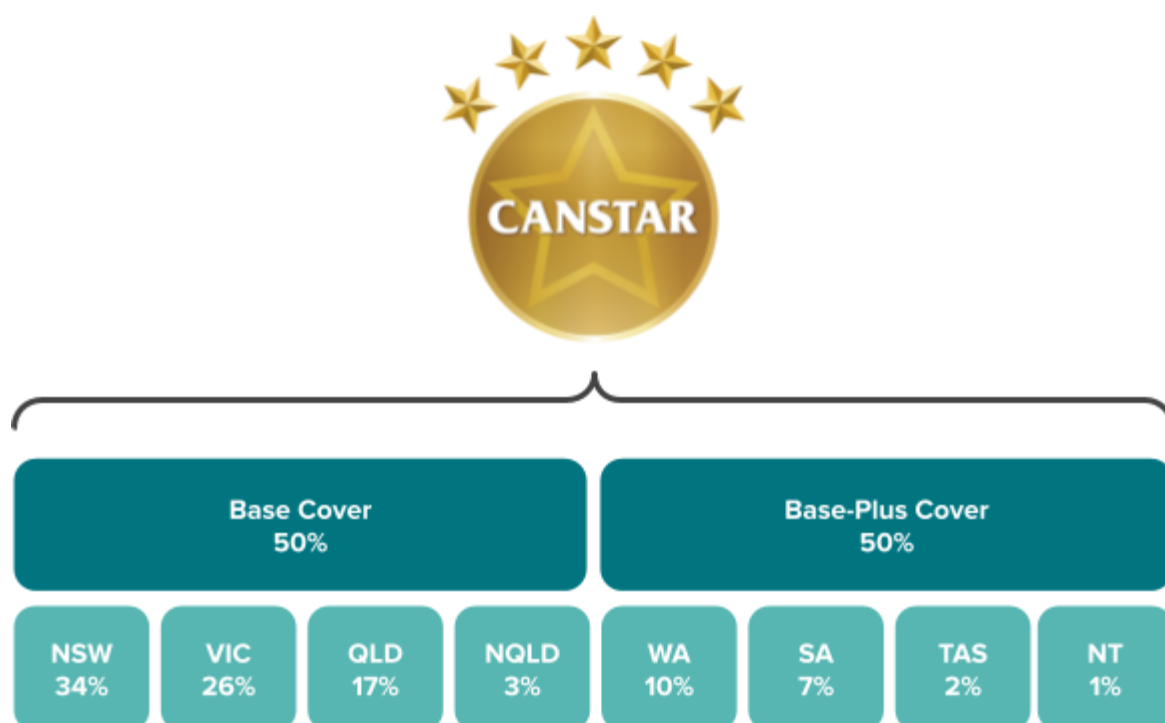
Eligibility Criteria

To be considered for the national Home and Contents Insurance award:

- The policy must be available directly to consumers, not limited solely to those in a particular age group.
- The institution must underwrite its own insurance, or be a wholly owned subsidiary of a general insurer (i.e. white labelled products are not considered for a National Award). Where an institution does not meet this criterion but offers a different value proposition (i.e. on price and features) to the policy offered by the product issuer, this institution may be considered.
- For comparison purposes, a quote must be available:
 - Online or via phone
 - For all postcodes considered within each profile
 - For all profiles within each state considered.

National Award Methodology

Canstar awards an Outstanding Value award to the insurer or insurers who offer outstanding value based on their cumulative score and Star Ratings performance across all states and regions considered in the ratings. The weight assigned to each state/region is based on the population of each state/region relative to the total population of all areas considered. The insurer with the highest weighted average score across all states/regions is awarded the national award for Outstanding Value.



How often are products reviewed for Star Ratings and award purposes?

Ratings and awards are recalculated annually based on the latest features offered by each provider. Canstar also monitors changes on an ongoing basis. The results are published in a variety of mediums (newspapers, magazine, television, websites, etc.).

Does Canstar rate all products available in the market?

We endeavour to include the majority of product providers in the market and to compare the product features most relevant to consumers in our ratings. However, this process is not always possible and it may be that not every product in the market is included in the rating nor every feature compared that is relevant to you.

Does Canstar rate other product areas?

Canstar researches, compares and rates the suite of banking, wealth and insurance products listed below. These Star Ratings use similar methodologies to guarantee quality, consistency and transparency. Results are freely available to consumers who use the Star Ratings as a guide to product excellence. The use of similar Star Ratings logos also builds consumer recognition of quality products across all categories.

Please access the Canstar website at www.canstar.com.au if you would like to view the latest Star Ratings reports of interest.

- Account based pensions
- Deposit accounts
- Health insurance
- Landlord insurance
- Margin lending
- Travel insurance
- Agribusiness
- Car insurance
- Direct life insurance
- Home & contents
- Life insurance
- Online banking
- Personal loans
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- Business banking
- Credit cards
- First home buyer
- Home loans
- Managed investments
- Online share trading
- Pet insurance
- Term deposits



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The ratings and awards results do not include all providers and may not compare all features relevant to you. The rating or award is only one factor to take into account when considering these products. Canstar acknowledges that past performance is not a reliable indicator of future performance.

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