

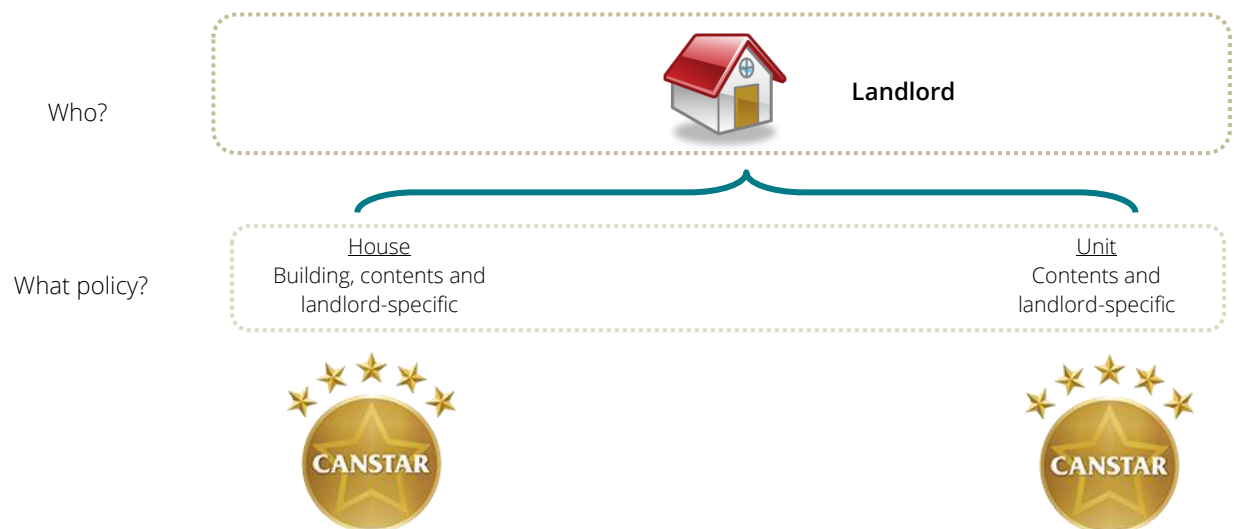


METHODOLOGY

Landlord Insurance

What are the CANSTAR *Landlord Insurance Star Ratings*?

CANSTAR's *Landlord Insurance Star Ratings* use a sophisticated rating methodology, unique to CANSTAR, that compares landlord insurance products in Australia. CANSTAR star rated products represent a shortlist of financial products. This shortlist narrows the search for consumers to products that have been independently assessed and ranked. The *CANSTAR Landlord Insurance Star Ratings* are a transparent and comprehensive analysis of landlord insurance policies, comparing over 3,300 quotes, across seven different regions, from more than 35 different insurers. Subsequent to determining the star ratings of each individual policy, the results are then used to determine a winner from each individual state and an overall national winner.



Eligibility requirements:

- A policy must offer cover for theft or burglary by tenants or their guests; malicious damage or vandalism by tenants or their guests; and loss of rent due to tenant default.
- A policy must quote in all specific postcodes within the profile to be rated in the Star Ratings.
- An insurer must quote in all profiles within a state to be eligible for a state award.
- An insurer must make policies available to all consumers to be eligible for a state award.
- An insurer must quote in all states to be eligible for a national award.
- An insurer should underwrite its own insurance or be a wholly owned subsidiary of a general insurer to be eligible for a state or national award. To win a national award, it should be also be present nationally.

The *Landlord Insurance Star Ratings* consist of two separate insurance product types (building, contents and landlord-specific insurance; and contents and landlord-specific insurance). The rating process for each of these product types employs a separate star ratings methodology consistent with the pricing and features model of the CANSTAR star ratings.

$$\text{TOTAL STAR RATINGS SCORE (T)} = \text{PRICING SCORE (P)} + \text{FEATURES SCORE (F)}$$



Landlord insurance products are rated across seven regions so that consumers will be able to identify their geographic and create a shortlist of products that may be suitable for their needs.

Pricing score

The insurance premium for home insurance is used as the point of cost comparison. Peer products are compared and the product with the lowest cost is awarded the highest pricing score and all other peer products are awarded a relative score in comparison to the lowest cost product.

Sum insured		
	Building	Contents
Individual dwelling	\$300,000	\$45,000
Strata dwelling	-	\$45,000

To be eligible for Star Ratings, premium quotes have to be available both online and by phone.

Feature score

Over 100 different features are assessed from 18 different feature categories. Peer products are compared and the product with the most comprehensive coverage and features is awarded the highest feature score.

Feature weights			
Feature categories	Descriptions	Weights	
		Individual dwellings	Strata dwellings
Policy terms		30%	25%
Policy conditions	List flexibilities in taking the policies (e.g. cooling-off period, different excess amounts)	25%	25%
Claim process	Different flexibilities in making claims (e.g. online, phone, 24-hour service)	15%	15%
Defined events	List all events and maximum cover (e.g. earthquake, explosions, lightning)	20%	20%
Flood	Specific conditions on flood-related cover	20%	20%
Storm	Specific conditions on storm-related cover	20%	20%
Landlord cover		40%	60%
Damage	Cover for malicious damage by tenant	30%	30%
Rent loss/default	Loss of rent due to tenants or insured events	30%	30%
Liability cover	Legal and liability expenses covered	10%	10%
Burglary	Cover for theft or burglary by tenant	20%	20%
Additional	Additional cover	10%	10%
Building cover		20%	0%
Building inclusions	Definitions of buildings	40%	
Building policy	Flexibilities to rebuild (e.g. choice of builders, option to rebuild)	15%	

Under-insurance protection	Specific features to prevent under-insurance	30%	
Fusion of electric motor (Building)	Specific conditions on fusion cover	10%	
Other benefits	Removal of debris, demolition cost	5%	
Contents cover		10%	15%
Contents inclusions	Definitions of contents	60%	60%
Contents policy	Flexibilities on contents term (e.g. new for old, contents in open air)	20%	20%
Fusion of electric motor (Contents)	Specific conditions on fusion cover	20%	20%

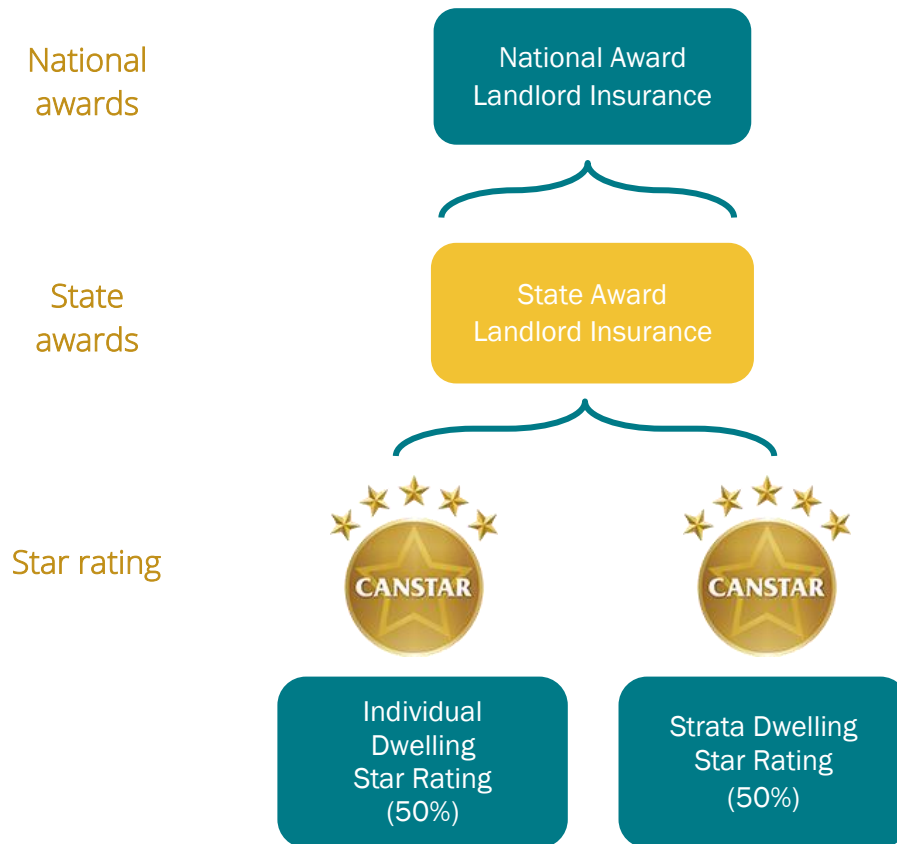
Awards to institutions

Awards are determined by product performance across the following:

- Individual dwelling (building and contents insurance) and strata dwelling (contents insurance)
- Regions

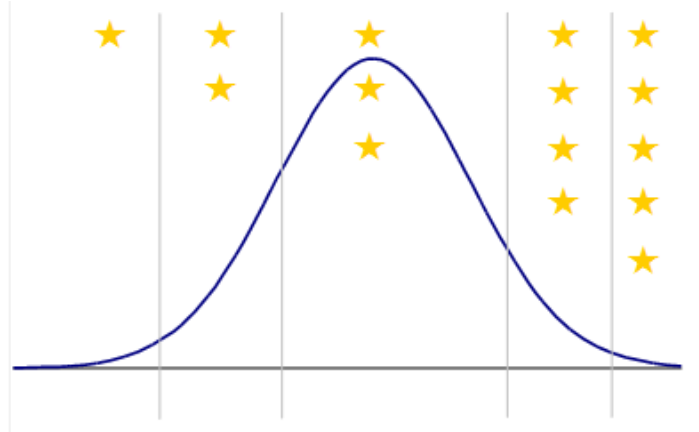
To determine the state winners, the contribution of the best product results from each of the categories is considered. The North Queensland region (above the Tropic of Capricorn) has been included as a region throughout the calculation process.

To determine the national winners, each institution's product performance in each state is considered and these performances are weighted based on the population of the relevant state relative to the overall Australian population. The insurer that has the highest weighted average score across all states is awarded the national award for that product category.



How are the stars awarded?

Star Ratings are very selective and are only awarded to those institutions that demonstrate truly outstanding value. Once all the scoring from the methodology is completed the results are distributed across a bell curve. The policies that achieve a score in the top 5-10%, relative to the landlord insurance policies rated, are awarded a CANSTAR five-star rating, and the subsequent star ratings are distributed according to their relative distribution.



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.

Landlord insurance awards

Subsequent to the completion of Landlord Insurance Star Ratings, the state and national awards for Landlord Insurance are determined. This is achieved by using the Star Ratings score and ranking the scores relative to each state, to determine state winners, and then weighted for the population of each state to determine the national winner.

Does CANSTAR rate other product areas?

CANSTAR researches, compares and rates the suite of banking 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
- Business life insurance
- Deposit accounts
- Health insurance
- Life insurance
- Online banking
- Personal loans
- Term deposits
- Youth banking
- Agribusiness
- Car insurance
- Direct life insurance
- Home & Contents
- Managed investments
- Online share trading
- Reward programs
- Travel insurance
- Business banking
- Credit cards
- First home buyer
- Home loans
- Margin lending
- Package banking
- Superannuation
- Travel money cards

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