



METHODOLOGY

Landlord Insurance Star Ratings

What are the Canstar *Landlord Insurance Star Ratings*?

Canstar *Landlord Insurance Star Ratings* use a sophisticated and unique ratings methodology that compares both cost and features across Landlord insurance products. Canstar star ratings represent a shortlist of products, enabling consumers to narrow their search to products that have been assessed and ranked.

Ratings range from five to one star. Five-star rated products have been assessed as offering outstanding value to consumers.

Eligibility Requirements

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

- ✓ Be available directly to consumers.
- ✓ 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.
- ✓ For comparison purposes, a quote must be available:
 - Directly to Canstar or online; and
 - For all postcodes considered within the profile being rated.

Profile Description

Landlord insurance products are rated across 14 profiles, including seven regions and two property types, with a star rating assigned for each profile.

The property and policy types and the regions considered within each profile are as follows:

Property and Policy Type	State
House (i.e Individual Dwelling) Building and Contents, landlord-specific policy	New South Wales
	Victoria
	Queensland ¹
Unit/Townhouse (i.e. Strata Dwelling) Contents only, landlord-specific policy	North Queensland ²
	South Australia
	Western Australia
	Tasmania

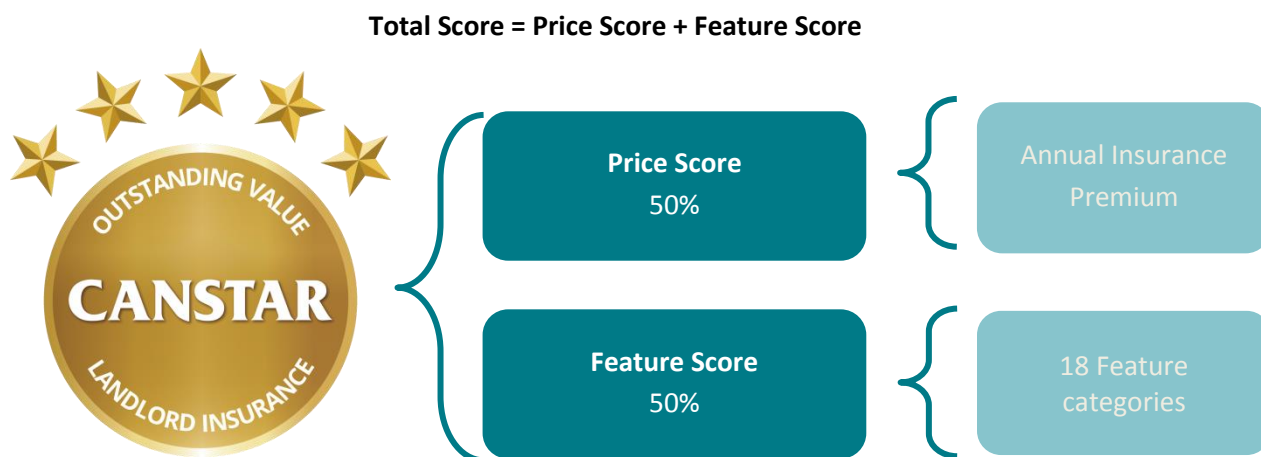
¹ South Queensland includes Rockhampton and all areas south

² North Queensland is the portion of Queensland north of Rockhampton

Star Ratings Methodology

Each eligible landlord insurance product reviewed is awarded points for its comparative pricing and for the array of positive 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 insurance premium for landlord insurance is used as the point of cost comparison. Peer products are compared and the product with the lowest cost is awarded the highest price score and all other peer products are awarded a relative score in comparison to the lowest cost product.

To maintain consistency across providers and premiums, Canstar uses some general assumptions when quoting. Quotes are obtained for six house addresses and six unit addresses within each state/area considered, for the following sum insured amounts (or as close as possible when the following amounts are not available):

Sum Insured		
	Building	Contents
House	\$450,000	\$25,000
Unit/Townhouse	-	\$25,000

Feature Score

Over 100 product features are assessed across 18 different categories. The product with the most comprehensive features is awarded the highest Features score.

Category	House	Unit/Townhouse
Landlord Cover	40%	50%
Damage	30%	30%
Rent loss/default	30%	30%
Liability Cover	10%	10%
Burglary	20%	20%
Additional	10%	10%
Policy Conditions	30%	30%
Policy Conditions	25%	25%
Claims Process	15%	15%
Defined events	20%	20%
Flood	20%	20%
Storm	20%	20%
Building Cover	20%	-
Building Inclusions	40%	-
Building Policy	15%	-
Underinsurance protection	30%	-
Fusion of electric motor (fusion)	10%	-
Other benefits	5%	-
Contents Cover	10%	20%
Contents Inclusions	60%	60%
Contents Policy	20%	20%
Fusion of electric motor (contents)	20%	20%

State Landlord Insurance Awards

Eligibility Criteria

To be considered for a state award for Landlord Insurance:

- ✓ 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 state award).
- ✓ For comparison purposes, a quote must be available:
 - Directly to Canstar, online, or via phone; and
 - For all postcodes considered within each profile; and
 - For all profiles within the state/region being considered.

State Award Methodology

To determine the winners of Canstar's state awards, an insurer's top performing product within each profile is used. Equal weight is placed on the individual and strata dwellings to determine the overall winner in each state/region considered.



National Landlord Insurance Award

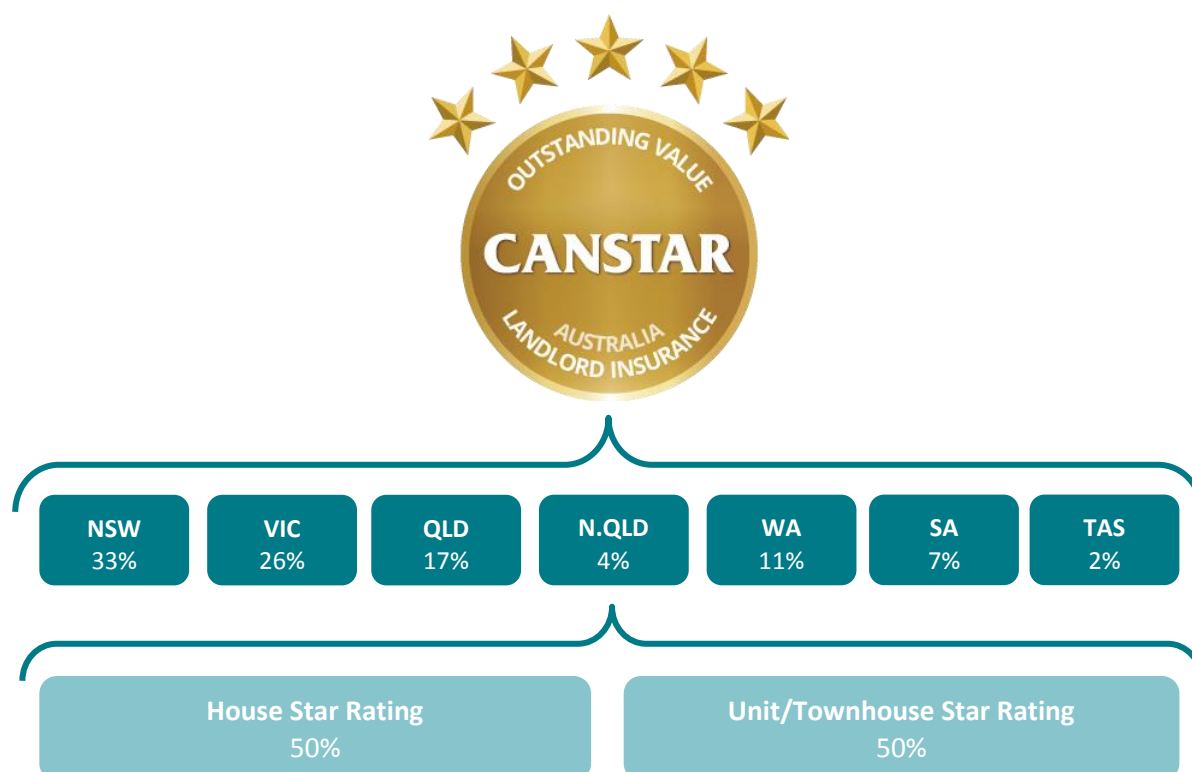
Eligibility Criteria

To be considered for the national Landlord 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).
- ✓ The insurance provider must have a national presence.
- ✓ For comparison purposes, a quote must be available:
 - Directly to Canstar, online, or via phone; and
 - For all postcodes considered within each profile; and
 - For all profiles within each state/region 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 Landlord Insurance.



Does Canstar rate all products available in the market?

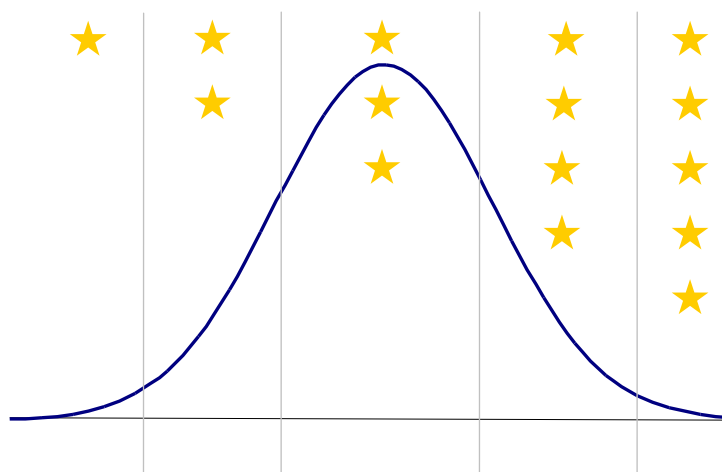
We endeavour to include the majority of product providers in the market and to compare the product features most relevant to consumers in our ratings. However, this is not always possible and it may be that not every product in the market is included in the rating nor every feature compared that is relevant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

How often are products reviewed for awards or star ratings purposes?

All ratings are fully recalculated every 12 months 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, magazines, television, websites, etc.)

How are the stars awarded?

Products are ranked based on the total score received for each profile. Stars are then awarded based on the distribution of the scores with the objective to award the top 5-10% of products with the Canstar five-star rating.



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
- Agribusiness
- Business banking
- Business life insurance
- Car insurance
- Credit cards
- Deposit accounts
- Direct life insurance
- First home buyer
- Health insurance
- Home & contents
- Home loans
- Landlord insurance
- Life insurance
- Managed investments
- Margin lending
- Online share trading
- Package banking
- Personal loans
- Pet insurance
- Reward programs
- SMSF loans
- Superannuation
- Term deposits



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