



METHODOLOGY

Home and Contents Insurance Star Ratings and Awards

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.

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 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; and
 - For all addresses considered within the profile being rated.

Profile Description

Home and Contents insurance products are rated across 35 profiles, including seven regions, three cover types and for home and contents and contents cover also two 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	\$450,000	New South Wales
		Victoria
Contents	\$50,000	Queensland ¹
	\$125,000	North Queensland ²
Home and Contents Package	\$450,000 building & \$50,000 contents \$450,000 building & \$125,000 contents	South Australia
		Western Australia
		Tasmania

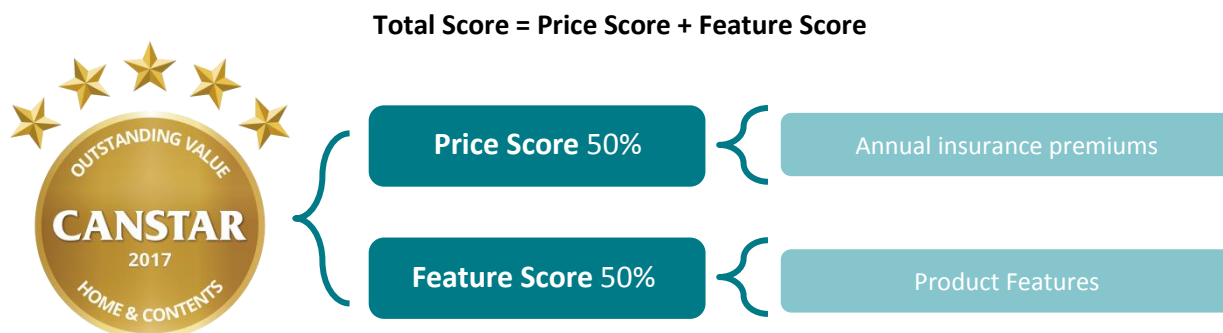
¹ Queensland includes Rockhampton and all areas south

² North Queensland is the portion of Queensland north of Rockhampton

Star Ratings Methodology

Each eligible home and contents 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 home and contents 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. An excess of \$500 is used in the quoting process, or the closest available excess when a \$500 excess is not offered. Quotes are obtained for six addresses within each profile considered

Feature Score

More than 100 different features are assessed from 22 different feature categories. Peer products are compared and the product with the most comprehensive features is awarded the highest feature score.

Feature Category	Description	Weight		
		Home Only	Contents Only	Home & Contents
Policy Terms		50%	50%	50%
Policy Conditions	List flexibilities in taking the policies (e.g. cooling off period, different excesses amounts)	15%	15%	15%
Claim Process	Different flexibilities in making claims (e.g. online, phone, 24 hour service)	15%	15%	15%
Defined Events	List all events & maximum cover (e.g. earthquake, explosions, lightning cover)	10%	10%	10%
Accidental Damage	Specific conditions for accidental cover event	25%	25%	25%
Flood	Specific conditions on flood related cover	15%	15%	15%
Accidental Breakage	Specific cover for Glass and other breakable items	5%	5%	5%
Storm	Specific conditions on storm related cover	10%	10%	10%
Helpline	Flexibilities in assisting policy holders post-event (trauma counselling)	5%	5%	5%
Building Cover		50%		25%
Building Inclusions	Definitions of buildings	5%	-	5%
Building Policy	Flexibilities to rebuild (e.g. choice of builders, option to rebuild)	20%	-	20%
Underinsurance protection	Specific features to prevent under insurance	30%	-	30%
Fusion of electric motor (Building)	Specific conditions on fusion cover	10%	-	10%
Other benefits (Building)	Other benefits (key replacement, temporary accommodation, removal of debris)	20%	-	20%
Scenario questions (Building)	Specific scenario question in relate to building cover	15%	-	15%
Contents Cover			50%	25%
Contents inclusions	Definitions of contents	-	5%	5%
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	-	10%	10%
Theft or attempted theft	Specific conditions on theft related cover	-	15%	15%
Other benefits (Contents)	Other benefits (credit card theft, guest belonging)	-	15%	15%
Scenario questions (Contents)	Specific scenario question in relation to content cover	-	10%	10%
Maximum Item Benefits (Unlisted Items)	Maximum benefits for unlisted item	-	15%	20%
Portable Items Cover	Specific conditions on specified portable items	-	10%	5%

What are the *Canstar Home and Contents State Awards*?

Eligibility Criteria

To be considered for a state award for Home and Contents 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:
 - 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

For award purposes only, a second rating is calculated for those products that are considered to offer comprehensive cover. To be considered comprehensive 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 general cover and comprehensive cover to determine the overall winner in each state/region considered.



What is the *Canstar Home and Contents National Award*?

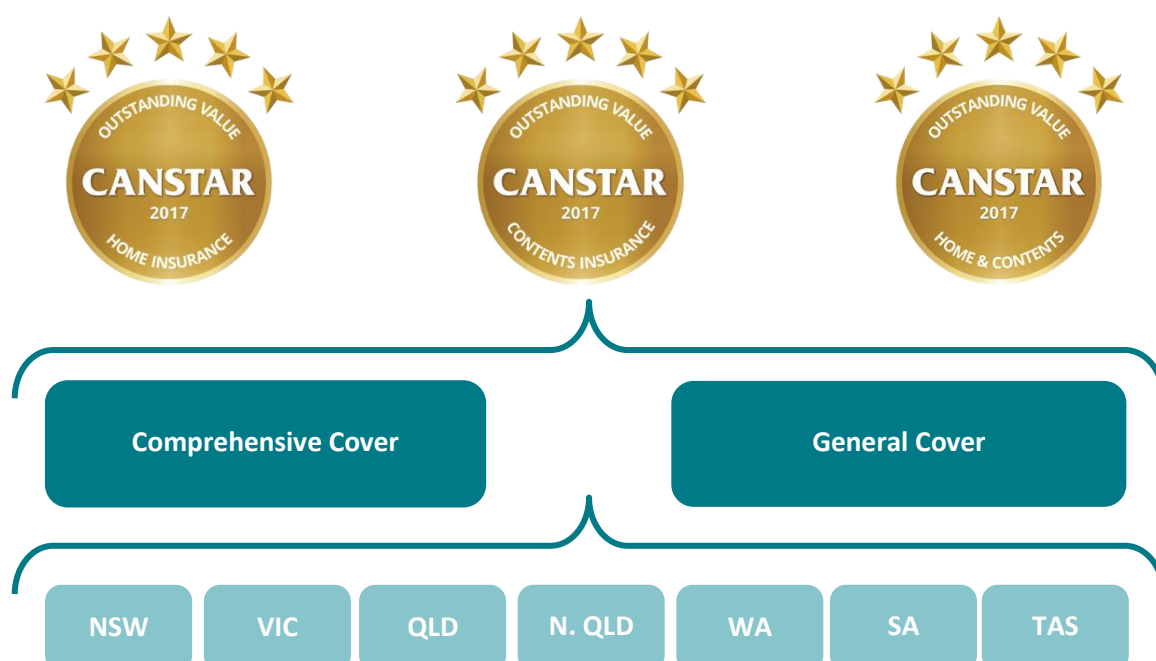
Eligibility Criteria

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

- ✓ The insurer must provide consumers with both comprehensive and general cover products for high and low sum insured amounts.
- ✓ 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:
 - 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 Home and Contents 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
- 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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