

## Overwhelmed

An overview of factors that impact upon insurance disclosure comprehension, comparability and decision making, September 2018

Monash University and the Financial Rights Legal Centre, with the support of funding from the Victorian Fire Services Levy Monitor have produced a report titled: *(In)effective Disclosure: A study of consumers purchasing home and contents insurance*<sup>1</sup>. The experimental study aimed at examining how the newly introduced requirement for providing a Key Fact Sheet (KFS) for home and contents insurance enhances consumer perceptions and decision outcomes. The study in particular examined how:

- (i) consumers engage with the KFS and/or Product Disclosure Statement (PDS) at the point of sale;
- (ii) consumers perceive the information provided by the KFS and/or PDS; and
- (iii) the obtaining of this information and knowledge leads to perceptible changes in consumer decision-making behaviour.

The study tested engagement, comprehension and behaviour of consumers in a specifically designed, experimentally controlled environment that nevertheless reflected the insurance purchasing process, albeit a simplified version.

The study limited the number of parameters to ensure that the participant respondents were, in a sense, given the best chance to select the best PDS or KFS. For example, all tested policies were equally priced. Policies were non-branded to control for the effect of brand names. PDSs were reduced in size to 20 pages each rather than the usual 80 plus pages. KFSs also closely matched the legislated requirements but the number of covered events was reduced.

The decision to essentially simplify the KFS and PDS and control for as many factors as possible, was made to ensure that the findings were obtained in as optimized a purchasing and decision-making context as possible. We wanted to give the respondents the best chance to comprehend the documents and apply them to the situation presented. In other words, we wanted to find out whether the mandated disclosure could be effective, even in the most ideal of circumstances.

The assumption underlying this approach is that once the complexity of real world factors enter the decision-making process, the choice becomes increasingly difficult. We would therefore expect the success rate of choosing the most appropriate insurance product would decrease once real world factors enter the fray.

Financial Rights has created this short paper to identify and list some of the almost innumerable real world factors that complicate the comprehension, comparability and decision making process of purchasing a home and contents insurance product.

Financial Rights has broken down the factors into the following six categories:

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<sup>1</sup> Justin Malbon and Harmen Oppewal, *(In)effective Disclosure: A study of consumers purchasing home and contents insurance*, to be published, August 2018

1. market factors
2. website design and form factors
3. document design and form
4. cover detail
5. policy wording
6. individual circumstances and behavioural factors

The sheer number of factors listed below demonstrates the reality of the difficulties faced by consumers when it comes to comparing and comprehending insurance policies let alone making the right decision. It also is a reality check on the faith governments have placed on disclosure to assist consumers to make better decisions when purchasing insurance.

As will be seen from the list, consumers are faced with huge differences in price, an array of insurers, a large number of products, difficulties in finding PDSs and KFSs in the first place, varying approaches to presenting disclosure information to consumers and significant variability in definitions, terms and coverage. This is in addition to the almost infinite differences that individual circumstances and behavioural factors play in the process of making a purchase decision.

Put simply, making a decision to purchase insurance appropriate to one's circumstances in Australia is overwhelming.

## **1. Market factors**

The following is a list of general market factors that Financial Rights see as key considerations consumers take into account when making a choice to purchase an insurance product - apart from coverage. Coverage is discussed separately in a later section.

### **Price**

Price is a central consideration for most consumers of insurance. And no wonder since price varies significantly from insurer to insurer. A recent survey by the NSW Emergency Services Levy Insurance Monitor found that there was an average difference of up to \$1,100 for basic home and contents policies when comparing quotes for identical properties across 11 different NSW suburbs.<sup>2</sup>

### **Brand loyalty**

Recent research<sup>3</sup> found that 53% of Australian respondents chose to take out their most recent policy with a supplier that they had used previously. 86% of Australian consumers would only consider between one to three insurers when selecting their next policy; while 76% said they liked and trusted their current provider.

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<sup>2</sup> NSW Emergency Services Levy Insurance Monitor, Home insurance in same suburb more than twice the price depending on insurer, 21 March 2017 <https://www.eslinsurancemonitor.nsw.gov.au/home-insurance-same-suburb-more-twice-price-depending-insurer> "The difference between the cheapest and most expensive quote in one suburb, Medlow Bath, was almost \$1700 - with one insurer quoting a price more than 2.5 times higher than another."

<sup>3</sup> Target, Myth vs Reality, The Expectation Gap in the ANZ Insurance Industry, October 2016 [https://www.targetgroup.com/wp-content/uploads/2016/10/myth\\_vs\\_Reality-whitepaper\\_ANZ.pdf](https://www.targetgroup.com/wp-content/uploads/2016/10/myth_vs_Reality-whitepaper_ANZ.pdf)

## Advertising and brand recognition

Closely related to brand loyalty is behaviour driven by advertising and brand recognition in general. Insurance is both a grudge purchase and a set and forget product with many people spending very little time thinking about their insurance needs. Insurance companies with large advertising budgets therefore advertise in a ubiquitous fashion, largely in an attempt to overcome this engagement gap and be at the top of mind when someone does come to making a choice. According to Neilsen, insurance advertising made up 6% of digital advertising, 10% of metropolitan television, and 5% of the metro radio markets.<sup>4</sup> Competitive pressure may also be a factor, with a number of significant fines handed out in recent times to insurers for misleading consumers.<sup>5</sup>

## The number of insurance brands

The number of insurance brands is considerable. CHOICE's most recent survey identified 29 consumer facing insurance brands<sup>6</sup> active in the Australian home and contents market<sup>7</sup> to review but other comparison sites list as many as 23 additional insurers bringing the total number to 52.<sup>8</sup>

## The number of insurance products available

CHOICE reviewed 53 products,<sup>9</sup> Canstar compared 92 products,<sup>10</sup> with many insurers offering varying levels of coverage referring to premium, standard, classic, elite or other levels.

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<sup>4</sup> <http://www.adnews.com.au/news/where-s-the-money-going-exclusive-ad-spend-trends-report>

<sup>5</sup> AAMI paid a \$43,200 fine for statements could lead consumers to have the impression than AAMI would always repair or rebuild homes when a claim was submitted. <https://asic.gov.au/about-asic/media-centre/find-a-media-release/2018-releases/18-085mr-raa-insurance-pays-43-200-in-penalties-for-misleading-car-insurance-advertising/> RAA paid \$43,200 for misleading car advertising regarding a life time replacement benefit. <https://asic.gov.au/about-asic/media-centre/find-a-media-release/2018-releases/18-085mr-raa-insurance-pays-43-200-in-penalties-for-misleading-car-insurance-advertising/> and CommInsure was fined \$300,000 over misleading life insurance advertising <https://asic.gov.au/about-asic/media-centre/find-a-media-release/2017-releases/17-443mr-comminsure-pays-300-000-following-asic-concerns-over-misleading-life-insurance-advertising/>

<sup>6</sup> The number of underwriters is smaller than this, with many having multiple brands, but consumers are not typically aware of this fact. **Table 1** details 28 brands with 13 underwriters in total.

<sup>7</sup> CHOICE, Home and contents insurance reviews, 22 March 2018, <https://www.choice.com.au/money/insurance/home-and-contents/review-and-compare/home-and-contents-insurance> AAMI, Allianz, ANZ, Apia, Bank of Melbourne, Bank SA, Budget Direct, CGU, Coles, CommBank, Dodo, GIO, ING, NRMA, QBE, RAA, RAC, RACQ, RACT, RACV, SGIC, SGIO, St George, Suncorp, TIO, Virgin Money, Westpac, Woolworths, Youi.

<sup>8</sup> CanStar lists an additional 23 insurers available in NSW/ACT at [https://www.canstar.com.au/compare/home-and-contents-insurance/?profile=Building+and+Contents&state\\_code=NSW+%26+ACT&age=Below+50+years&prod\\_type=Below+%24550k](https://www.canstar.com.au/compare/home-and-contents-insurance/?profile=Building+and+Contents&state_code=NSW+%26+ACT&age=Below+50+years&prod_type=Below+%24550k) including Australian Seniors Insurance, Australia Post, BankWest, CGU, OziCare, Peoples Choice Credit Union, Real Insurance, 1<sup>st</sup> for Women, 1 Cover, AON, Aussie, Bendigo, Bupa, Catholic Church Insurance, Citi, CUA, HBF, HSBC, Hume Bank, Bank of Queensland, IMB Bank, National Australia Bank, Guild Insurance

<sup>9</sup> CHOICE, Home and contents insurance reviews, 22 March 2018, <https://www.choice.com.au/money/insurance/home-and-contents/review-and-compare/home-and-contents-insurance>

<sup>10</sup> CanStar lists an additional 23 insurers available in NSW/ACT at [https://www.canstar.com.au/compare/home-and-contents-insurance/?profile=Building+and+Contents&state\\_code=NSW+%26+ACT&age=Below+50+years&prod\\_type=Below+%24550k](https://www.canstar.com.au/compare/home-and-contents-insurance/?profile=Building+and+Contents&state_code=NSW+%26+ACT&age=Below+50+years&prod_type=Below+%24550k)

## Potential discounts

Insurers offer a range of discounts to attract business. These can vary from special promotions or marketing campaigns to loyalty discounts, purchasing channel discounts – online versus phone, no-claim discounts or multiple policy discounts.<sup>11</sup>

## Use of comparison websites

Comparison websites sometimes assist, sometimes hinder understanding and comprehension. Most people focus on price rather than cover when using a comparison website, and comparing products can be almost impossible given the multiplicity of coverage, definitions, and exclusions: see further details below. They can also mislead since many commercial comparison websites are owned by the same parent company as insurers, with their own brands offered on the site.<sup>12</sup>

## 2. Website design and form

Simply finding and accessing a PDS or KFS on an insurer's website can be a difficult task, with most prioritising their own imagery, branding and information over highlighting access to the actual PDS or KFS.

### Website design

Finding and accessing a PDS or KFS can take a number of clicks through an insurer's website. Some websites bundle the policy documents together on one page, others provide links on the policy's webpage that open up a new browser tab. Some links download the PDS into a download folder.

### Link designs

The links to PDSs and KFSs vary vastly. These can include simple coloured hyperlinks in large, bolded, underlined print, or very small, buttons, bars, lists or side bars.<sup>13</sup>

### The placement of PDS and KFS links on website pages

Some websites highlight the PDS and/or KFS link somewhere in the middle of the page. Many others place the link to the PDS or KFS down the bottom of the page in fine print. Others still require a google search because they are so hard to find. For example, there is no reference to KFSs on Woolworths home building and contents web page. Many web pages link directly to a

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<sup>11</sup> NSW Emergency Services Levy Insurance Monitor, Home insurance in same suburb more than twice the price depending on insurer, 21 March 2017 <https://www.eslinsurancemonitor.nsw.gov.au/home-insurance-same-suburb-more-twice-price-depending-insurer>

<sup>12</sup> John Rolfe was quoted in the Senate Report into the General Insurance industry:  
*...seven of the 10 car insurance brands on comparethemarket.com.au come from Auto & General Services Pty Ltd. Both Compare the Market and Auto & General are ultimately owned by Budget Holdings Limited. Three of the five home insurance brands on Compare the Market are also arranged by Auto & General. At rival comparison site Choosi, only two home insurance brands are compared. One of them, Real, is owned by Choosi's parent, Greenstone Limited. Real is one of the five car insurance brands compared by Choosi.*

[https://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Economics/Generalinsurance/~/\\_media/Committees/economics\\_ctte/Generalinsurance/report.pdf](https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Economics/Generalinsurance/~/_media/Committees/economics_ctte/Generalinsurance/report.pdf)

<sup>13</sup> see **Table 2**

PDS or KFS .pdf. Others send the user to a separate page that bundle all the policy documents for the insurer together in a long list.

### **Finding a KFS**

Many KFS links are visually secondary to the PDS by only appearing in fine print. Some websites do not even feature a link to a KFS, eg SGIC and Woolworths.<sup>14</sup>

## **3. Document design and form**

Once a consumer finds a PDS, there is an enormous variety in the appearance of PDSs and no consistency. This is even the case with KFSs whose form is supposed to be locked in by legislation.

### **PDS designs**

PDS designs vary vastly from the order that the contents of the PDS are placed in, to the layout, use of graphics, colour, font... the list is endless. Even the shapes and sizes of PDS's can vary making comparability difficult. Some PDSs take the standard DL (or "dimension lengthwise" format- or a third of an A4 page) others take on the A5 standard (or half an A4), others still have an A4 format.

### **PDS Naming conventions**

Very few PDSs have the same title. They can vary in both the name of the thing or things being covered (such as use of the word 'Household', 'Home', 'Home and Contents' and 'Home Building and Contents') or can vary the name of what the document is (for example, a 'Product Disclosure Statement', a 'Product Disclosure Statement and Policy', 'General Terms and Conditions', 'Policy Wording', and 'Policy Booklet').<sup>15</sup>

### **Additional or supplementary documents**

Most insurers provide more than one document but in some cases there can be an overwhelming number of documents. For example, AAMI<sup>16</sup> provides a total of nine: a PDS, two supplementary PDSs, an update pursuant to ASIC Corporations Instrument 2016/1055, an update pursuant to ASIC Class Order 03/237, a Home Building Insurance Premiums, Excesses, Discounts & Claims Payments guide, and a NSW ESL reintroduction onto insurance premiums, in addition to the KFS.<sup>17</sup> A number of insurers provide A and B PDSs, the B simply acting as an additional or supplementary PDS.

### **PDS lengths**

PDS document lengths range between 27 to 128 pages.<sup>18</sup> Suncorp produces two separate documents of 60 and 68 pages (plus a number of other documents), while most other insurers provide the one combined product disclosure document. Most however provide

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<sup>14</sup> see **Table 2**. St George includes a link to the Contents KFS however this incorrectly downloads the Building KFS. SGIC has an incorrectly labelled KFS, and could only be found via a google search.

<sup>15</sup> See **Table 1**

<sup>16</sup> As of May 2018

<sup>17</sup> <https://www.aami.com.au/policy-documents/personal.html#home-contents-insurance>

<sup>18</sup> see **Table 1**

supplementary PDS documents and other additional documentation as described above. John Rolfe was recently quoted in the Senate General Insurance Report as stating:

*There are novels that are shorter than product disclosure statements. It is extraordinary. They run to 30,000 words. It would take hours to read just one of them. So let's say you were going to look at half a dozen of them before you picked an insurer. It is beyond belief that anyone would do that. So no-one is ever really going to know the detail of their insurance product.<sup>19</sup>*

### Differing approaches to KFSs

Most insurers keep the Building KFS and Contents KFS in separate .pdfs. However RAC combines their two KFSs into one .pdf, but still separate KFSs within the .pdf.<sup>20</sup> RACT combines the two KFSs into one .pdf document with a combined KFS in that document.<sup>21</sup> Some links download the documents to your download folder (eg RACQ), most other links create a new web page.

The legislative requirements for KFS design is that the boxes should “alternate between black type on a white background and black type on a light blue background.”<sup>22</sup> RAA however uses a dark grey background. No two insurance companies use the same shade of blue.

### Use of logos on a KFS

Most place their corporate logo on the KFS. Brands underwritten by Auto & General do not eg Virgin, ING etc. According to Schedule 3 of the *Insurance Contracts Act Regulations 1985*, the logo should be inserted.

### Language used in KFSs

Different KFSs take different linguistic approaches to describe their coverage and exclusions on their KFS. Some use the form “Yes ... But we will not cover”<sup>23</sup> or “Excludes...”<sup>24</sup> to list only the exclusions. Others describe what is covered.<sup>25</sup> Many use personal pronouns eg, “We will cover” or “You’re not covered,”<sup>26</sup> others are impersonal, eg “No cover for.....”<sup>27</sup> Some KFSs refer the reader to a page in the PDS (eg RACQ)<sup>28</sup> but most do not.

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<sup>19</sup> Economics References Committee, Australia's general insurance industry: sapping consumers of the will to compare, August 2017

[https://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Economics/Generalinsurance/-/media/Committees/economics\\_ctte/Generalinsurance/report.pdf](https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Economics/Generalinsurance/-/media/Committees/economics_ctte/Generalinsurance/report.pdf)

<sup>20</sup> <https://rac.com.au/products/insurance/policy-documents/building-contents-valuables-insurance>

<sup>21</sup> <http://www.ract.com.au/SiteCollectionDocuments/Key%20Facts%20Sheet%20BLD.pdf>

<sup>22</sup> Regulation 4B(d)(iii)

<sup>23</sup> Eg RAA, <http://www.raa.com.au/documents/contents-key-fact-sheet>

<sup>24</sup> Eg QBE,

[http://www.qbe.com.au/content/idcplg?IdcService=GET\\_FILE&dDocName=PRODT057982&RevisionSelectionMethod=LatestReleased&Rendition=primary](http://www.qbe.com.au/content/idcplg?IdcService=GET_FILE&dDocName=PRODT057982&RevisionSelectionMethod=LatestReleased&Rendition=primary)

<sup>25</sup> Eg NRMA

[https://www.nrma.com.au/sites/nrma/files/nrma/policy\\_booklets/home\\_contents\\_kfs\\_0418\\_nsw\\_act\\_tas.pdf](https://www.nrma.com.au/sites/nrma/files/nrma/policy_booklets/home_contents_kfs_0418_nsw_act_tas.pdf)

<sup>26</sup> Eg CGU, <https://www.cgu.com.au/sites/default/files/media/personal/pds/908420a7-068c-4071-9f30-23534ec00588.pdf>

<sup>27</sup> Eg Youi [https://www.youi.com.au/globalassets/documents/kfs\\_bui\\_20170615.pdf](https://www.youi.com.au/globalassets/documents/kfs_bui_20170615.pdf)

<sup>28</sup> <https://www.racq.com.au/-/media/racq/pdf/insurance/kfscontents.pdf?la=en&hash=C9CD063CA111290B414AE769AF2DED7906665626>

## 4. Cover detail

Once a consumer gets to actually read the content of the documents, there is a vast array of differences with respect to inclusions, exclusions, coverage etc that a consumer will need to weigh up.

### Excess levels

The basic excess level – that is the contribution a policyholder is required to pay towards a claim - can vary from insurer to insurer and can be set at maximum and minimum levels. However there are usually multiple, complex additional excesses, hidden in the fine print. In home and content insurance they can include:

- additional excesses based specifically on a risk assessed by the insurer (e.g. AAMI, GIO, Suncorp)
- extra cover excess, (e.g. AAMI)
- unoccupied excesses (e.g. AAMI, GIO),
- excesses for earthquake and/or tsunami claims (e.g. Allianz, ANZ, Bank of Melbourne, CGU, GIO, Suncorp, QBE, RAA, TIO),
- imposed excess (e.g. ANZ, QBE, TIO)
- personal valuables excess (e.g. APIA)
- accidental loss or damage' (e.g. Bank of Melbourne, QBE, RAA)
- domestic workers compensation (e.g. CGU, CommInsure)
- Voluntary excess (e.g. Coles, RAA, TIO)
- special excess (e.g. Coles, NRMA)
- cover outside your home excess (e.g. Coles, Youi)
- portable contents excess/portable valuables excess (e.g. CommInsure, GIO, Suncorp, QBE, Woolworths)
- legal liability insured event excess (e.g. CommInsure, TIO)
- motor burnout excess (e.g. GIO, Woolworths, Youi)
- injury to pet dogs and cats excess (e.g. GIO, Suncorp, RAA, Youi)
- contents in storage cover excess (e.g. QBE)
- student accommodation contents excess (e.g. QBE)
- cycle cover excess (e.g. QBE)
- additional carbon fibre excess (e.g. QBE)
- fixtures and lighting excess (e.g. RAA)
- non-removable endorsed excess (e.g. RAA)
- food spoilage excess (e.g. Woolworths, Youi)
- malicious acts and theft by tenants excess (e.g. Woolworths)
- rent default and legal expenses excess (e.g. Woolworths)
- business item excess (e.g. Youi)
- landlord's furnishing excess (e.g. Youi)
- lock and keys excess (e.g. Youi)
- temporary accommodation: emergency evacuation excess (e.g. Youi)
- escaping water excess (eg e.g. Youi)

“Basic” or “standard” excesses may be highlighted upfront but these additional excesses are rarely if ever highlighted. A customer must search for them and know to click on a number of links and know to read further documents to find out the full information and potential excess quantum. Finally, the circumstances in which an excess is payable are not straightforward and the excesses are structured in complicated ways so that it is not clear upfront when an excess will be paid. To understand the way the excesses work, the customer must go digging in the Product Disclosure Statement (or other documents). Even then, references to the excesses are also usually spread throughout the PDS and not necessarily kept in all one spot.

### The way an insurance product pays out

The way an insurance product pays out can include:

- paying a sum-insured,
- total replacement cover,
- “new for old” (which itself varies),
- legal liability cover (where potential costs for a claim and legal support are involved),
- paying the costs for accommodation, the inclusion of professional fees and debris removal as well as other specific and different policy features.

### Standard features or optional extras

Optional extras could include anything from fusion cover (when an electrical current causes damage to a household electrical motor) to accidental damage or temporary accommodation. Other policies include some or all of these types of cover as standard features of their policy.

### Listed events or accidental damage inclusions

The level of cover is defined by reference to the types or range of events that cause damage or loss. ‘Compare the Market’<sup>29</sup> explains the difference as:

*“a **defined events** policy lists the events (that cause damage to your home or contents) that you’re insured for, and everything else is excluded. The things you are insured for are called the “defined” or “listed” events. ... Your defined events policy will generally exclude anything not listed under ‘listed events’, but in some cases you’ll be able to nominate extras (or ‘additional’) events you wish to be covered for.*

*On the other hand, **accidental damage** insurance generally covers you for any “accidental loss or damage”, and will list the things that you’re not insured for. Broadly speaking, these policies generally cover everything that ‘defined events’ policies cover, as well as any loss or damage that arises from an accident (unless that accident is specifically excluded).”*

The NSW ESL Survey also found that a small number of policies didn’t offer cover in relation to one or more of the following events: Accidental damage (non-glass); Accidental damage (glass plus ceramics); Flood; Tsunami; Rain (which had important inclusions and conditions); Animal damage (impacting the property; or through less narrowly defined circumstances).

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<sup>29</sup> <https://www.comparethemarket.com.au/home-contents-insurance/information/listed-and-defined-events/> quoted at page 15 in NSW Emergency Services Levy Insurance Monitor, Home insurance in same suburb more than twice the price depending on insurer, 21 March 2017 <https://www.eslinsurancemonitor.nsw.gov.au/home-insurance-same-suburb-more-twice-price-depending-insurer>

## Inclusions, exclusions and definitions

As a general rule, no two definitions are the same. NSW ESL states that:

*“There are subtle differences in the inclusions and exclusions, that may be more or less material in different consumers circumstances, when an event occurs.”*

## 5. Policy wording

Taking a closer look at the actual content of the KFSs and PDSs we see a vast array of approaches that impact directly upon the ability to easily compare home building and contents insurance policies. To demonstrate the complexity embedded in considering and comparing the content of PDSs and KFSs, we have taken a look at the content of one Insured Event Cover – the first Insured Event Cover generally listed in the KFS - Fire and Explosion: see [Table 3](#). In taking a look at this element of a home building insurance product we found the following complexities and issues that impact directly upon the ease of comparing and comprehending a PDS or KFS.

### Naming of events and cover

There is a lack of consistency in even the title of the Insured event or cover. While most PDSs (23 insurers) refer to “Fire” and “Explosion” as two distinct named events, others referred to the concept as variously:

- “Fire or smoke (including bushfires and grassfires)”: Allianz
- “Fire or explosion”: ANZ, CGU, TIO
- “Fire (including bushfire)”: RAA
- “Fire (where there is a flame) and explosion”: Woolworths

### Defining a covered insured event in the PDS

There are a variety of approaches insurers take to defining an insured event in their PDS.

Some insurers include positive statements (that is, defining “What is covered”). Some include negative statements (i.e. “what is not covered”) such as, “scorching, burn marks or melting where there has been no flame”.<sup>30</sup> But this can be confusing as what is not covered is sometimes listed in the main “Event section” or elsewhere, such as a “General Exclusions” section. Others still require the consumer to read additional sections that are not immediately obviously linked. A confusing example of this is the TIO PDS. TIO states on its KFS that, yes, Fire and Explosion is included in the policy but that the definition includes the following rather broad exclusion:

*Not covered for loss or damage arising from the undergoing of a process necessarily involving the application of heat.*

Looking at the more detailed PDS definition of “Fire and Explosion” the TIO PDS states at page 16 that:

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<sup>30</sup> Coles

*We will cover you for loss or damage that is caused by or results from fire or explosion.*

*We will not cover loss or damage caused by visitors lawfully at the risk address (other than a fire lit by the visitor).*

There is no reference to heat here. However to understand the definition fully the policyholder must also read and be aware of the exclusions clause at page 31:

*The following exclusions apply to all sections of cover provided by this policy except for Section 4 Legal Liability: ...*

*h) the undergoing of a process necessarily involving the application of heat*

and the Accidental Glass Breakage clause which states at page 15:

*Accidental Glass Breakage: We will not cover... glass as a result of its undergoing a process necessarily involving the application of heat.*

This approach is impenetrable and unnecessarily complex.

To make it more confusing, some insurers include their definition of fire or explosion on a separate definitions page. CommInsure and QBE, for example, include a definition of the word “fire” and separately, “explosion” under a distinct Definitions section.<sup>31</sup> Most PDSs however refer simply to “Fire” or “Explosion” without any definition included of the word “Fire” or “Explosion.”

Finally there is significant variance in the actual insurance definitions. Taking a look at 28 definitions, while there may be some superficial similarities there are a large number of nuances (subtle or otherwise) that would all become material in a claim and/or dispute.

To demonstrate the variety:

- One insurer refers to the presence of “mineral spirits”: Woolworth
- Three refer to the use of “irons”: Only Coles, QBE and Woolworths
- Seven refer to exclusions arising from the use of heaters: Apia, ANZ, Coles, QBE, RAA, Suncorp and Woolworths
- Five refer to “arcing”: Apia, ANZ, Coles, QBE, RAA, Suncorp and Woolworths
- Four refer to “grassfires”: Allianz, Budget Direct, CGU and ING
- Twelve insurers refer variously to cigarettes and/or cigars: AAMI, Allianz, Apia, Budget Direct, GIO, ING, RAA, RACT, Suncorp, Virgin Money, Woolworths.
- While underwritten by the same insurer (IAG) and having substantially the same terms, NRMA states that the policyholder is not covered for: “loss or damage which results from scorching or melting where there was no flame” while SGIO and SGIC state that the policyholder is not covered for “damage which results from scorching or melting when your home or contents did not catch fire.” Both of these seem on the surface to end up at the same result but have arguably different applications if deemed material at claims time.

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<sup>31</sup> CommInsure: The state of burning that produces flames QBE: Fire producing flames, but not charring, melting or scorching without flames

- Most insurance products (eg Suncorp) exclude the item that has exploded, but not all do so (such as St George).
- Most definitions of fire in the KFS and PDS do not refer to the exclusion based on occupancy at the time of the fire<sup>32</sup> despite most if not all products featuring this exclusion, and the exclusion being relevant to a full understanding of fire and explosion coverage. RACQ does include it with its central definition on its fire and explosion page.

### Information provided on insured events in the KFS

The information provided in the KFS table is by its very nature brief and limited (by regulation). Insurers are to provide against each covered event:

*“Some examples of specific conditions, exclusions or limits that apply to events/covers.”*

Insurers are instructed under Schedule 3 of the *Insurance Contracts Regulations 1985* to:

*Insert policy specific condition, exclusion or limits. If the wording of events/cover in column one is not consistent with the wording in the PDS insert an explanation on how the event cover applies in respect to the policy.*

Taking a look at the information provided under Fire and Explosion in the KFSs most are negative statements, ie they includes details on what is *excluded* or what is *not covered*. For example, Budget Direct’s KFS states:

*Fire and Explosion: Excludes loss or damage caused by scorching or melting when there was heat but no flame. Excludes the cost of repairing or replacing an item that explodes.*

But not all are like this. Some include a positive definition as well as a negative definition:

*Fire requires flames and excludes: ignition or combustion of a heat or fire resistant item; or a bush or grass fire within 48 hours of cover starting.*<sup>33</sup>

### Distinct and separate references to “Fire” and “Explosion” in the KFS summary

The standard title used in a KFS is “Fire and Explosion.” Despite this, a significant number of KFSs only provide information about fire in the KFS and not explosions. For example, Allianz, ANZ, Coles, RAA, and SGIO do not refer to explosions despite each brand including explosions in their policy.

It is also notable that RAC and RACT separate out ‘Fire’ and ‘Explosion’ as two separate distinct listed Insured Events in the structure of their KFS, as opposed to listing ‘Fire and Explosion’ as one category as all other KFSs that we examined do. The order of events/cover for the RAC and RACT KFSs is also very different to all other KFSs. Ambiguously, RACT leaves the specific conditions for the Explosion item blank.

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<sup>32</sup> Coverage tends to exclude a claim where there has been 60-120 days (consecutive or otherwise) where the property has not been occupied; an important distinction for those with holiday homes, and who may travel for work.

<sup>33</sup> Coles

## Direction to the PDS in the KFS

RACQ references the appropriate page numbers, which could arguably be helpful. Others such as CGU refer merely to “Exceptions apply” forcing the consumer to seek out the PDS. RAC unhelpfully states:

*No cover for bushfire for the first 48 hours after the start of this policy except in certain situations detailed in the PDS.*

In the past, Financial Rights has identified an insurer who simply included a hyperlink to the PDS in each category of the KFS with no information at all included in the KFS.

## Reference to time limits in the KFS

A number of KFSs reference the time limit exclusion such as Allianz:

*Not covered for loss or damage caused by bushfires and grassfires during the first 72 hours after you first take out or increase the cover under the policy.*

ANZ, Coles, CGU, RAC refer to a 48 hour exclusion. Most other KFSs do not reference any time limit exclusion despite the fact that most insurance policies have a time limit exclusion in place under the PDS.

## 6. Individual circumstances and behavioural factors

On top of all the above complexity, there is almost an infinite number of individual circumstances and behavioural factors that impact upon the way consumers make choices.

### Medium

Consumers variously access a PDS via the use of a computer, laptop, tablet, hardcopy or phone or any variety of the above. According to recent research 68% of Australian respondents to a survey used their desktop or laptop to visit insurer’s websites, 28% researched their most recent insurance policy using their smart phone or tablet, 12% Australian used an app on their smart phone or tablet and 38% spoke with someone in the call centre.<sup>34</sup>

### Biases of individual consumers

This can include apathy arising from the grudge nature of the purchase, the amount of time a consumer is willing to invest in researching an insurance product, or biases towards visual, auditory, verbal, tactile, kinaesthetic, linguistic, active, reflective learning. Many consumers also misperceive risk, be it in underestimating any potential risks or conversely overestimating the risk.

### The paralysis of choice

When there are too many choices, with too many potential outcomes and risks that may arise from making the wrong choice – risks that have particular huge consequences in the case of

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<sup>34</sup> Target, Myth vs Reality, The Expectation Gap in the ANZ Insurance Industry, October 2016 [https://www.targetgroup.com/wp-content/uploads/2016/10/myth\\_vs\\_Reality-whitepaper\\_ANZ.pdf](https://www.targetgroup.com/wp-content/uploads/2016/10/myth_vs_Reality-whitepaper_ANZ.pdf)

insurance – people become overwhelmed.<sup>35</sup> Throw in information overload (from 100 page documents say) on top of choice overload and people can become bewildered, stressed and even experience a form of decision-making paralysis. Others simply make any choice or find short cuts to deal with the stress. Some, for example, simply take the recommendation of a trusted friend, colleague or family member.

### **Time of day**

The time of day a consumer seeks out information to base a choice upon impacts upon behaviour, comprehension, motivation, acuity and, on the supply side, even the discounts provided.

### **Personal circumstances**

And finally the personal circumstances of policyholders (and potential policyholders) are fundamental to the decision that needs to be taken. Amongst these circumstances there are:

- known knowns (for example, the address of the property one intends to insure)
- known unknowns (for example, the age of the property, the probability of a bushfire facing a property set in the bush) and
- unknown unknowns (for example, events that you can not even conceive at the time of purchase such as the threat of water leakage or seepage in one's shower recess, latent defects.)

Many insurers provide tools like calculators to help people work out the value of their assets or the likely cost to rebuild their home, and hazard risk maps, such as the NRMA's Safer Homes website that details the threat levels for individual homes for theft, bush fire, home fire and water leaks.<sup>36</sup> Calculators sometimes also produce widely varying results for the same asset

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<sup>35</sup> There is extensive research into this phenomena. Two recent books on the issue of choice overload are: Barry Schwartz, *The Paradox of Choice*, 2004, Sheena Iyengar, *The Art of Choosing*, 2011

<sup>36</sup> <https://saferhomes.nrma.com.au>

**Table 1. Comparison of 28 Home Building and Contents Insurance PDS lengths and titles**

Brand	Underwriter	Home and Contents	Title	URL
AAMI	AAI	60+68	Home Building Insurance - Product Disclosure Statement Home Contents Insurance - Product Disclosure Statement	Separate documents <a href="https://www.aami.com.au/aami/documents/personal/home/pds-building.pdf">https://www.aami.com.au/aami/documents/personal/home/pds-building.pdf</a> <a href="https://www.aami.com.au/aami/documents/personal/home/pds-contents.pdf">https://www.aami.com.au/aami/documents/personal/home/pds-contents.pdf</a>
Allianz	Allianz	41	Home Insurance –Product Disclosure Statement	<a href="https://www.einsure.com.au/wb/public/openCurrentPolicyDocument/POL1085DIR/\$FILE/POL1085DIR.pdf">https://www.einsure.com.au/wb/public/openCurrentPolicyDocument/POL1085DIR/\$FILE/POL1085DIR.pdf</a>
Apia	AAI	108	Apia Home and Contents Insurance - Product Disclosure Statement	<a href="https://www.apia.com.au/content/dam/suncorp/apia/documents/home-contents/pds-home-contents-21-05-16.pdf">https://www.apia.com.au/content/dam/suncorp/apia/documents/home-contents/pds-home-contents-21-05-16.pdf</a>
ANZ	QBE	62	ANZ Home Insurance (with Full Building Replacement)- Product Disclosure Statement and Policy	<a href="https://www.anz.com/aus/ind/insurance/home/pdf/Home%20FBR%20PDS%20(final).pdf">https://www.anz.com/aus/ind/insurance/home/pdf/Home%20FBR%20PDS%20(final).pdf</a>
Bank of Melbourne	Westpac General Insurance	64	Home and Contents Insurance - Product Disclosure Statement	<a href="https://www.bankofmelbourne.com.au/content/dam/bom/downloads/personal/insurance/bom-home-contents-insurance-pds.pdf">https://www.bankofmelbourne.com.au/content/dam/bom/downloads/personal/insurance/bom-home-contents-insurance-pds.pdf</a>
Bank of SA	Westpac General Insurance	63	Home and Contents Insurance - Product Disclosure Statement	<a href="https://www.banksa.com.au/content/dam/bsa/downloads/personal/insurance/bsa-home-contents-insurance-pds.pdf">https://www.banksa.com.au/content/dam/bsa/downloads/personal/insurance/bsa-home-contents-insurance-pds.pdf</a>
Budget Direct	Auto & General	40	Simply Smarter Home & Contents Insurance- Product Disclosure Statement - Part A Home & Contents Insurance Policy General Terms and Conditions	<a href="https://ecommerce.disconline.com.au/branding/resources/BUD/legal/home/HCPDSA.pdf">https://ecommerce.disconline.com.au/branding/resources/BUD/legal/home/HCPDSA.pdf</a>
CGU	Insurance Australia	52	Fundamentals Home – Insurance Product Disclosure Statement and Policy – with Flood Cover	<a href="https://www.cgu.com.au/sites/default/files/media/personal/pds/Basic%20Cover%20Fundamentals%20PDS.pdf">https://www.cgu.com.au/sites/default/files/media/personal/pds/Basic%20Cover%20Fundamentals%20PDS.pdf</a>
Coles	Insurance Australia	39	Home Insurance - Product Disclosure Statement	<a href="https://financialservices.coles.com.au/~/_media/financial-services/files/insurance/product-disclosure-statements/coles-home-insurance-pds-aug2017.pdf">https://financialservices.coles.com.au/~/_media/financial-services/files/insurance/product-disclosure-statements/coles-home-insurance-pds-aug2017.pdf</a>
CommInsure	Commonwealth Insurance	111	Home Insurance - Product Disclosure Statement	<a href="https://www.commbank.com.au/content/dam/commbank/personal/apply-online/download-printed-forms/comminsure-home-insurance-pds.pdf">https://www.commbank.com.au/content/dam/commbank/personal/apply-online/download-printed-forms/comminsure-home-insurance-pds.pdf</a>

**Table 1. Comparison of 28 Home Building and Contents Insurance PDS lengths and titles**

Brand	Underwriter	Home and Contents	Title	URL
Dodo	Auto & General	CEASED	CEASED	CEASED
GIO	AAI	104	Home and Contents Insurance - Product Disclosure Statement	<a href="https://www.gio.com.au/documents/home-and-contents/home/gio-home-contents-insurance-pds.pdf">https://www.gio.com.au/documents/home-and-contents/home/gio-home-contents-insurance-pds.pdf</a>
ING	Auto & General	48	These are the things you should know – Product disclosure statement – Parts A – Home and Contents Insurance Policy - General Terms and Conditions	<a href="https://ing.disconline.com.au/branding/resources/EXIG/legal/home/HCPDSA.pdf">https://ing.disconline.com.au/branding/resources/EXIG/legal/home/HCPDSA.pdf</a> & <a href="https://ing.disconline.com.au/branding/resources/EXIG/legal/home/SHCPDSB.pdf">https://ing.disconline.com.au/branding/resources/EXIG/legal/home/SHCPDSB.pdf</a>
NRMA	Insurance Australia	100	Home Insurance - Product Disclosure Statement and Policy Booklet (PDS)	<a href="https://www.nrma.com.au/sites/nrma/files/nrma/policy_booklets/home_pds_0418_nsw_act_tas.pdf">https://www.nrma.com.au/sites/nrma/files/nrma/policy_booklets/home_pds_0418_nsw_act_tas.pdf</a>
QBE	QBE	80	Home Cover - Product Disclosure Statement & Policy Wording	<a href="http://www.qbe.com.au/content/idcplg?IdcService=GET_FILE&amp;dDocName=PRODC057365&amp;RevisionSelectionMethod=Latest&amp;Rendition=primary">http://www.qbe.com.au/content/idcplg?IdcService=GET_FILE&amp;dDocName=PRODC057365&amp;RevisionSelectionMethod=Latest&amp;Rendition=primary</a>
RAA	RAA	60	Home and Contents Insurance - Product Disclosure Statement	<a href="http://www.raa.com.au/documents/home-and-contents-pds-nov-2017">http://www.raa.com.au/documents/home-and-contents-pds-nov-2017</a>
RAC	RAC	27	RAC Building, Contents and Personal Valuables Insurance Combined Product Disclosure Statement and Financial Services Guide	<a href="https://rac.com.au/-/media/files/rac-website/home-and-life/insurance/home_pds_01072015-pdf.pdf?la=en&amp;hash=6FA8665C569A409B8740FD643A13C845671157A3">https://rac.com.au/-/media/files/rac-website/home-and-life/insurance/home_pds_01072015-pdf.pdf?la=en&amp;hash=6FA8665C569A409B8740FD643A13C845671157A3</a>
RACQ	RACQ	100	Household Insurance Policy - Product Disclosure Statement	<a href="https://www.racq.com.au/-/media/pdf/racq-pdfs/insurance/pds/insurancehouseholdpds-0317.pdf?la=en&amp;hash=95CB4D370BA96B3360C76A323716F68C64A655AC">https://www.racq.com.au/-/media/pdf/racq-pdfs/insurance/pds/insurancehouseholdpds-0317.pdf?la=en&amp;hash=95CB4D370BA96B3360C76A323716F68C64A655AC</a>
RACT	RACT	84	Home Insurance - Product Disclosure Statement	<a href="http://www.ract.com.au/SiteCollectionDocuments/Home%20Insurance_Sep_2017_F800.pdf">http://www.ract.com.au/SiteCollectionDocuments/Home%20Insurance_Sep_2017_F800.pdf</a>
RACV	Insurance Australia	100	Home Insurance - Product Disclosure Statement and Policy Booklet	<a href="https://www.racv.com.au/content/dam/racv/documents/insurance/racv-home-insurance/RACV_Home_PDS_0218.pdf">https://www.racv.com.au/content/dam/racv/documents/insurance/racv-home-insurance/RACV_Home_PDS_0218.pdf</a>
SGIC	Insurance Australia	92	Home Insurance Building & Contents - Product Disclosure Statement and Policy Booklet	<a href="https://www.sgic.com.au/sites/sgic/files/sgic/policy_booklets/sgic_home_pds_sa_g018225_0317.pdf">https://www.sgic.com.au/sites/sgic/files/sgic/policy_booklets/sgic_home_pds_sa_g018225_0317.pdf</a>
SGIO	Insurance Australia	92	Home Insurance Building & Contents - Product Disclosure Statement and Policy	<a href="https://www.sgio.com.au/sites/sgio/files/sgic/policy_booklets/sgio_home_pds_wa_g018226_0317.pdf">https://www.sgio.com.au/sites/sgio/files/sgic/policy_booklets/sgio_home_pds_wa_g018226_0317.pdf</a>

**Table 1. Comparison of 28 Home Building and Contents Insurance PDS lengths and titles**

Brand	Underwriter	Home and Contents	Title	URL
			Booklet	
St George	Westpac General Insurance	67	Home and Contents Insurance Building & Contents - Product Disclosure Statement	<a href="https://www.stgeorge.com.au/content/dam/stg/downloads/personal/insurance/stg-home-contents-insurance-pds.pdf">https://www.stgeorge.com.au/content/dam/stg/downloads/personal/insurance/stg-home-contents-insurance-pds.pdf</a>
Suncorp	AAI	84	Home & Contents Insurance Building & Contents - Product Disclosure Statement	<a href="https://www.suncorp.com.au/content/dam/suncorp/insurance/suncorp-insurance/documents/home-and-contents/home/home-contents-insurance-pds.pdf">https://www.suncorp.com.au/content/dam/suncorp/insurance/suncorp-insurance/documents/home-and-contents/home/home-contents-insurance-pds.pdf</a>
TIO	Allianz	67	Territory Home Insurance Essential Cover – Building and Contents – Insured Events Product Disclosure Statement and Policy Information	<a href="https://www.einsure.com.au/wb/public/openCurrentPolicyDocument/POL889TIO/\$FILE/POL889TIO.pdf">https://www.einsure.com.au/wb/public/openCurrentPolicyDocument/POL889TIO/\$FILE/POL889TIO.pdf</a>
Virgin Money	Auto & General	48	Virgin Home and Contents Insurance - Product Disclosure Statement – General Terms and Conditions	<a href="http://campaigns.virginmoney.com.au/docs/insurance/home-and-contents/standard-pds/#page=1">http://campaigns.virginmoney.com.au/docs/insurance/home-and-contents/standard-pds/#page=1</a>
Westpac	Westpac General Insurance	64	Home and Contents Insurance - Product Disclosure Statement	<a href="https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/pb/FSR_HomeContentInsPDS.pdf">https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/pb/FSR_HomeContentInsPDS.pdf</a>
Woolworths	Hollard	76	Home Insurance – Combined Product Disclosure Statement and Financial Services Guide	<a href="https://insurance.woolworths.com.au/content/dam/Woolworths/Insurance/Home/UsefulDocumentsHome/Woolworths_Home_Insurance_PDS.pdf">https://insurance.woolworths.com.au/content/dam/Woolworths/Insurance/Home/UsefulDocumentsHome/Woolworths_Home_Insurance_PDS.pdf</a>
Youi	Youi	29	Home Product Disclosure Statement	<a href="https://www.youi.com.au/GetPDS?riskType=BU">https://www.youi.com.au/GetPDS?riskType=BU</a>

Notes:

1. 28 insurers drawn from CHOICE Review of 29 Insurers, March 2018 <https://www.choice.com.au/money/insurance/home-and-contents/review-and-compare/home-and-contents-insurance>. Dodo Insurance, the 29<sup>th</sup> insurer has closed since March 2018 and has not been included.

**Table 2. Comparison of 28 Home Building and Contents Insurance Webpages**

Insurer	URL of Main Home & Contents Product Page	PDS link type and position	Central page of all PDS & KFS docs or simple link	Bundled document page URL	PDS link type and position
AAMI	<a href="https://www.aami.com.au/home-insurance/building-and-contents.html">https://www.aami.com.au/home-insurance/building-and-contents.html</a>	Three coloured hyperlinks; Normal, fine print text, and very small fine print Middle and Bottom	Bundled page interactive selection	<a href="https://www.aami.com.au/policy-documents/personal.html">https://www.aami.com.au/policy-documents/personal.html</a>	No link, but on bundled page
Allianz	<a href="https://www.allianz.com.au/home-insurance/building-and-contents/">https://www.allianz.com.au/home-insurance/building-and-contents/</a>	Four coloured hyperlinks, Varying fine print text and very small fine print text, Middle and Bottom	Bundled page, listed	<a href="https://www.allianz.com.au/my-allianz/policy-documents/#myallianz.pds.home">https://www.allianz.com.au/my-allianz/policy-documents/#myallianz.pds.home</a>	Fine print, bottom of page, coloured hyperlink to bundled page
Apia	<a href="https://www.apia.com.au/home-insurance/home-and-contents.html">https://www.apia.com.au/home-insurance/home-and-contents.html</a>	One highlighted Blue Box Dark Blue Bar, Middle	Bundled page, listed	<a href="https://www.apia.com.au/policy-documents.html#home-contents">https://www.apia.com.au/policy-documents.html#home-contents</a>	No link, but on bundled page
ANZ	1. <a href="https://www.wealth.anz.com/insurance-home">https://www.wealth.anz.com/insurance-home</a> 2. <a href="https://www.wealth.anz.com/insurance/home-contents-insurance?pid=pro-bod-td-perhl-0616-acq-insurance-HC&amp;TCID=ANZ-HL-INS-HC&amp; ga=2.1159409.1139678371.1527206078-188349694.1527206078">https://www.wealth.anz.com/insurance/home-contents-insurance?pid=pro-bod-td-perhl-0616-acq-insurance-HC&amp;TCID=ANZ-HL-INS-HC&amp; ga=2.1159409.1139678371.1527206078-188349694.1527206078</a>	1. One coloured hyperlink, Very small fine print, Bottom  2. One coloured hyperlink, fine print in middle	1. Link to new .pdf web page  2. Link to new .pdf web page	-	1. No link 2. One coloured hyperlink, fine print in middle to new .pdf web page
Bank of Melbourne	<a href="https://www.bankofmelbourne.com.au/personal/insurance/home-and-contents-insurance">https://www.bankofmelbourne.com.au/personal/insurance/home-and-contents-insurance</a>	A non-coloured hyperlink with .pdf graphic in the middle and a full list of non-coloured hyperlinks to all PDS and KFS documents red .pdf graphics at the bottom	Link to new .pdf web page	-	A list of non-coloured hyperlinks to all KFS documents at the bottom with red .pdf graphic, link to new .pdf web page; Incorrect link for Contents KFS

**Table 2. Comparison of 28 Home Building and Contents Insurance Webpages**

Insurer	URL of Main Home & Contents Product Page	PDS link type and position	Central page of all PDS & KFS docs or simple link	Bundled document page URL	PDS link type and position
Bank of SA	<a href="https://www.banksa.com.au/personal/insurance/home-and-contents-insurance">https://www.banksa.com.au/personal/insurance/home-and-contents-insurance</a>	A non-coloured hyperlink with .pdf graphic in the middle and a full list of non-coloured hyperlinks to all PDS and KFS documents red .pdf graphics at the bottom	Link to new .pdf web page	-	A list of non-coloured hyperlinks to all KFS documents at the bottom with red .pdf graphic, link to new .pdf web page. Incorrect link for Contents KFS
Budget Direct	<a href="https://www.budgetdirect.com.au/home-contents-insurance/combined.html">https://www.budgetdirect.com.au/home-contents-insurance/combined.html</a>	Two coloured hyperlinks in text in the middle plus a very fine print coloured hyperlink at bottom	Bundled page, listed	<a href="http://www.autogeneral.com.au/search/HOME/BUDD">http://www.autogeneral.com.au/search/HOME/BUDD</a>	Very fine print, bottom of page, coloured hyperlink to bundled page, link to new .pdf web page
CGU	<a href="https://www.cgu.com.au/personal/home-insurance/building-and-contents-insurance">https://www.cgu.com.au/personal/home-insurance/building-and-contents-insurance</a>	One coloured hyperlink in middle, Another list of coloured hyperlinks in the middle and a third set of banded highlighted buttons with green graphic in the middle	Link to new .pdf web page	-	A set of banded highlighted buttons with green graphic in the middle, link to new .pdf web page
Coles	<a href="https://financialservices.coles.com.au/insurance/home-insurance/building-and-contents-insurance">https://financialservices.coles.com.au/insurance/home-insurance/building-and-contents-insurance</a>	One underlined white on red coloured hyperlink in the middle, one underlined black on white hyperlink and two coloured hyperlinks in very fine print at bottom	Bundled page, listed	<a href="https://financialservices.coles.com.au/insurance/about-our-insurance/important-information">https://financialservices.coles.com.au/insurance/about-our-insurance/important-information</a>	No link but on bundled page
CommInsure	<a href="https://www.commbank.com.au/personal/insurance/home-insurance/residential.html">https://www.commbank.com.au/personal/insurance/home-insurance/residential.html</a>	Reference in text, link in a "Take me there" blue button to bundled page, plus a coloured hyperlink in fine print	Bundled page, listed, and a link to a new .pdf web page.	<a href="https://www.commbank.com.au/personal/insurance/brochures-forms.html">https://www.commbank.com.au/personal/insurance/brochures-forms.html</a>	Fine print, bottom of page, coloured hyperlink to bundled page

Table 2. Comparison of 28 Home Building and Contents Insurance Webpages

Insurer	URL of Main Home & Contents Product Page	PDS link type and position	Central page of all PDS & KFS docs or simple link	Bundled document page URL	PDS link type and position
		at bottom			
Dodo	CEASED	CEASED	CEASED	CEASED	CEASED
GIO	<a href="https://www.gio.com.au/home-insurance/home-and-contents.html">https://www.gio.com.au/home-insurance/home-and-contents.html</a>	Three coloured hyperlinks, one in fine print in the middle, the second in bolded upper case in the middle, the third in very small fine print at the bottom	The first two link to new .pdf web page, The third links to a bundled page, which features drop down menu to select. Also a link to "Policy Documents"	<a href="https://www.gio.com.au/policy-documents.html#home-insurance">https://www.gio.com.au/policy-documents.html#home-insurance</a>	No link but on bundled page, links to new .pdf web page
ING	<a href="https://www.ing.com.au/insurance.html">https://www.ing.com.au/insurance.html</a>	Coloured hyperlinks to Part A and Part B of PDS in fine print text, in the middle plus another link with a .pdf graphic, in the middle. A third coloured hyperlink is further down the page.	Link to new .pdf web page,	-	Small .pdf graphic, in the middle, links to new .pdf web page
NRMA	<a href="https://www.nrma.com.au/home-insurance/buildings-contents-combined">https://www.nrma.com.au/home-insurance/buildings-contents-combined</a>	Banded blue button, close to bottom	Link to new .pdf web page	-	Highlighted button, bottom, links to new .pdf web page
QBE	<a href="https://www.qbe.com.au/home-insurance/home-and-contents-insurance">https://www.qbe.com.au/home-insurance/home-and-contents-insurance</a>	Coloured hyperlink, middle, plus list of coloured document links on right side bar	Link to .pdf download	-	Coloured links on sidebar, middle, links to .pdf download
RAA	<a href="https://www.raa.com.au/insurance/home-and-contents-insurance">https://www.raa.com.au/insurance/home-and-contents-insurance</a>	One coloured hyperlink in very fine print in the middle plus another link with an "I" graphic referring to PDS & Factsheets in a dotted banded bar	One links to new .pdf web page and the other links to a bundled page, Pictures of PDSs with a list of KFSs	<a href="https://www.raa.com.au/insurance/documents-and-forms">https://www.raa.com.au/insurance/documents-and-forms</a>	Coloured hyperlink, refers to "factsheets" not KFS or Key Fact Sheet, on bundled page
RAC	<a href="https://rac.com.au/home-life/home-insurance/home-and-contents-insurance">https://rac.com.au/home-life/home-insurance/home-and-contents-insurance</a>	Coloured hyperlink, very fine print bottom	Link to bundled page, List	<a href="https://rac.com.au/products/insurance/policy-documents/building-">https://rac.com.au/products/insurance/policy-documents/building-</a>	No link but on bundled page, KFS for both Contents and Building

**Table 2. Comparison of 28 Home Building and Contents Insurance Webpages**

Insurer	URL of Main Home & Contents Product Page	PDS link type and position	Central page of all PDS & KFS docs or simple link	Bundled document page URL	PDS link type and position
				<a href="#">contents-valuables-insurance</a>	in one combined pdf (as opposed to two separate .pdfs)
RACQ	<a href="https://www.racq.com.au/insurance/get-insurance/home-and-contents-insurance">https://www.racq.com.au/insurance/get-insurance/home-and-contents-insurance</a>	Coloured hyperlink, fine print bottom	Link to bundled page, List	<a href="https://www.racq.com.au/insurance/learn-more-about-insurance/product-disclosure-statements">https://www.racq.com.au/insurance/learn-more-about-insurance/product-disclosure-statements</a>	No link but on bundled page, links to .pdf downloads.
RACT	<a href="http://www.ract.com.au/home-and-contents">http://www.ract.com.au/home-and-contents</a>	Coloured hyperlink, bottom	Link to new .pdf web page	-	Coloured hyperlink, fine print bottom, Link to new .pdf web page
RACV	<a href="https://www.racv.com.au/in-your-home/insurance/home-insurance/combined-home-building-and-contents-insurance.html">https://www.racv.com.au/in-your-home/insurance/home-insurance/combined-home-building-and-contents-insurance.html</a>	Accordion List of documents with links in middle	Link to new .pdf web page		Accordion List of documents in middle, Link to new .pdf web page
SGIC	<a href="https://www.sgic.com.au/home-insurance/buildings-contents-combined">https://www.sgic.com.au/home-insurance/buildings-contents-combined</a>	One link with .pdf graphic, middle fine print hyperlink to bundled page	Link to new .pdf web page Fine print hyperlink to bundled page, with accordion list	<a href="https://www.sgic.com.au/help-information/policy-booklets">https://www.sgic.com.au/help-information/policy-booklets</a>	No link, no link on bundled page either. Unable to find in google search.
SGIO	<a href="https://www.sgio.com.au/home-insurance/buildings-contents-combined">https://www.sgio.com.au/home-insurance/buildings-contents-combined</a>	One link with .pdf graphic, middle fine print hyperlink to bundled page	Link to new .pdf web page Fine print hyperlink to bundled page, with accordion list	<a href="https://www.sgio.com.au/help-information/policy-booklets">https://www.sgio.com.au/help-information/policy-booklets</a>	No link, no link on bundled page either. Found on google search, but confusingly labelled /sgic-business-farm-home-kfs.pdf
St George	<a href="https://www.stgeorge.com.au/personal/insurance/home-and-contents-insurance">https://www.stgeorge.com.au/personal/insurance/home-and-contents-insurance</a>	A non-coloured hyperlink with .pdf graphic in the middle and a full list of non-coloured hyperlinks to all PDS and KFS documents red .pdf graphics at the bottom	Links to new .pdf web page	-	A list of non-coloured hyperlinks to all KFS documents at the bottom with red .pdf graphic, link to new .pdf web page. Incorrect link for Contents KFS – only downloads Building.

**Table 2. Comparison of 28 Home Building and Contents Insurance Webpages**

Insurer	URL of Main Home & Contents Product Page	PDS link type and position	Central page of all PDS & KFS docs or simple link	Bundled document page URL	PDS link type and position
Suncorp	<a href="https://www.suncorp.com.au/insurance/home/home-and-contents.html">https://www.suncorp.com.au/insurance/home/home-and-contents.html</a>	Highlighted PDS Bar	Link to bundled page, accordion list	<a href="https://www.suncorp.com.au/insurance/policy-documents.html#home-documents">https://www.suncorp.com.au/insurance/policy-documents.html#home-documents</a>	No link but on bundled page
TIO	<a href="https://www.tiofi.com.au/home-insurance/home-buildings-contents-insurance/">https://www.tiofi.com.au/home-insurance/home-buildings-contents-insurance/</a>	Banded white bar with coloured hyperlink and fine print links at bottom	Link to bundled page, list	<a href="https://www.tiofi.com.au/my-tio/policy-documents/#mytio.pds.home">https://www.tiofi.com.au/my-tio/policy-documents/#mytio.pds.home</a>	Banded white bar with coloured hyperlink
Virgin Money	<a href="https://virginmoney.com.au/insurance/home-and-contents-insurance">https://virginmoney.com.au/insurance/home-and-contents-insurance</a>	“Important documents” link on side bar. Coloured hyperlink in very small fine print at bottom	Link to bundled page, list	<a href="https://virginmoney.com.au/insurance/home-and-contents-insurance/important-documents">https://virginmoney.com.au/insurance/home-and-contents-insurance/important-documents</a>	Coloured hyperlink in very small fine print at bottom. Link to bundled page.
Westpac	<a href="https://www.westpac.com.au/personal-banking/insurance/solutions/homeowners-building-contents/">https://www.westpac.com.au/personal-banking/insurance/solutions/homeowners-building-contents/</a>	“Find out more” hyperlink, middle	Link to bundled page, list	<a href="https://www.westpac.com.au/personal-banking/insurance/solutions/homeowners-building-contents/check-change-policy/">https://www.westpac.com.au/personal-banking/insurance/solutions/homeowners-building-contents/check-change-policy/</a>	No link on main page, but there is a link on the bundled page that links to yet another bundled page listing KFSs
Woolworths	<a href="https://insurance.woolworths.com.au/home-insurance/buildings-and-contents.html">https://insurance.woolworths.com.au/home-insurance/buildings-and-contents.html</a>	Two coloured hyperlinks, text in the middle, fine print at bottom	Links to new .pdf web page	-	No link, only found with google search.
Youi	<a href="https://www.youi.com.au/home-insurance/building-and-contents">https://www.youi.com.au/home-insurance/building-and-contents</a>	Coloured bold hyperlink, middle and two fine print hyperlink at the bottom	Links to new .pdf web page. KFS links to bundled KFS page	No PDS bundled page KFS bundled page: <a href="https://www.youi.com.au/home-insurance/kfs">https://www.youi.com.au/home-insurance/kfs</a>	Coloured hyperlink, middle - linked the KFS home page with links to .pdfs

Notes:

1. 28 insurers drawn from CHOICE Review of 29 Insurers, March 2018 <https://www.choice.com.au/money/insurance/home-and-contents/review-and-compare/home-and-contents-insurance>. Dodo Insurance, the 29<sup>th</sup> insurer has closed since March 2018 and has not been included.
2. Websites were accessed between 23-25 May 2018.

**Table 3. Comparison of Home Building Insurance coverage of “Fire and Explosion” in 28 KFS and PDSs**

Insurer	KFS: Fire and explosion	PDS: Fire and explosion
AAMI	<p>Fire - no cover for loss or damage from arcing, scorching or cigarette burns unless a fire spreads from the initial burn spot.</p> <p>Explosion - no cover for the cost of repairing or replacing the tank or container that exploded.</p>	<p>Page 20</p> <p><b>Fire</b></p> <p>We cover</p> <p>Loss or damage to the building caused by fire (burning with flames).</p> <p>We do not cover</p> <p>Loss or damage arising from:</p> <ul style="list-style-type: none"> <li>• heat, ash, soot and smoke when the building has not caught on fire unless it is caused by a burning building within 10 metres of the insured address;</li> <li>• arcing, scorching or cigarette burns unless a fire spreads from the initial burn spot;</li> <li>• pollution or vapour from a home heater or a cooking appliance unless a fire spreads from the initial source.</li> </ul> <p><i>Other references</i></p> <p>What you must not do: do not wash or clean or remove debris from any area damaged by fire without our consent <b>unless</b> you need to do this to prevent further loss;</p> <p>Page 24</p> <p><b>Explosion</b></p> <p>We cover</p> <p>Loss or damage to the building caused by an explosion.</p> <p>We do not cover</p> <ul style="list-style-type: none"> <li>• the cost of repairing or replacing the tank or container that exploded;</li> <li>• loss or damage caused by nuclear or biological devices;</li> <li>• loss or damage caused by erosion, vibration, subsidence, landslip, landslide, mudslide, collapse, shrinkage or any other earth movement, but we will cover loss or damage to the building caused by a landslide or subsidence proved to have occurred within 72 hours of, and directly because of, an explosion and not because of erosion over time, structural fault or design fault.</li> </ul>
Allianz	<p>Not covered for loss or damage caused by bushfires and grassfires during the first 72 hours after you first take out or</p>	<p>Page 16</p> <p>Referred to as “Fire or smoke (including bushfires and grassfires)”</p> <p><b>Fire or smoke(including bushfires and grassfires)</b></p>

**Table 3. Comparison of Home Building Insurance coverage of “Fire and Explosion” in 28 KFS and PDSs**

Insurer	KFS: Fire and explosion	PDS: Fire and explosion
	increase the cover under the policy.	<p>What we cover</p> <p>✓ Loss or damage caused by:</p> <ul style="list-style-type: none"> <li>• fire,</li> <li>• bushfires and grassfires*, or</li> <li>• smoke.</li> </ul> <p>*A 72-hour exclusion period applies for loss or damage caused by bushfires and grassfires – see page 11 for details.</p> <p>What’s not covered</p> <p>✗ Loss or damage:</p> <ul style="list-style-type: none"> <li>• which arises gradually out of repeated exposure to fire or smoke,</li> <li>• of an item that is designed to be exposed to heat, being exposed to heat during normal use – for example if a heat resistant item like a cooking appliance or fireplace is damaged</li> <li>• during normal use, or</li> <li>• to any property as a result of scorching and/or melting – for example, cigarette burns. This exclusion does not apply if you’ve selected optional cover for Accidental Damage see page 43.</li> </ul> <p>Page 20</p> <p><b>Explosion</b></p> <p>What’s covered</p> <p>Buildings and/or contents</p> <p>✓ Loss or damage caused by explosion.</p> <p>✓ Loss or damage caused by or arising from:</p> <ul style="list-style-type: none"> <li>• soil movement, including erosion,</li> <li>• landslide,</li> <li>• mudslide, or</li> <li>• subsidence</li> </ul> <p>if it is caused directly by and occurs within 72 hours of an explosion.</p> <p>What’s not covered</p> <p>Loss or damage caused by terrorism</p>
Apia	Fire - no cover for loss or damage from arcing, scorching or	Page 31 <b>Fire</b>

**Table 3. Comparison of Home Building Insurance coverage of “Fire and Explosion” in 28 KFS and PDSs**

Insurer	KFS: Fire and explosion	PDS: Fire and explosion
	<p>cigarette burns unless and only to the extent that a fire spreads from the initial burn spot.</p> <p>Explosion - no cover for the cost of repairing or replacing the tank or container that exploded.</p>	<p>We cover Loss or damage caused by fire (burning with flames), including bushfire.</p> <p>We do not cover</p> <p>Loss or damage arising from:</p> <ul style="list-style-type: none"> <li>• heat, ash, soot and smoke when your home or contents have not caught on fire unless it is caused by a burning building within 10 metres of the insured address;</li> <li>• arcing, scorching or cigarette burns, <b><u>unless and only to the extent</u></b> that a fire spreads from the initial burn spot;</li> <li>• pollution or vapour from a home heater or a cooking appliance unless a fire spreads</li> <li>• from the initial source.</li> </ul> <p>Page 77 Excludes a bushfire, storm, flood or tsunami in the first 72 hours of cover.</p> <p>Page 40 <b>Explosion</b> We cover Loss of damage caused by an explosion.</p> <p>We do not cover</p> <ul style="list-style-type: none"> <li>• the cost of repairing or replacing the tank or container that exploded;</li> <li>• loss or damage caused by nuclear or biological devices;</li> <li>• loss or damage caused by erosion, vibration, subsidence, landslip, landslide, mudslide, collapse, shrinkage or any other earth movement, but we will cover loss or damage caused by a landslide or subsidence proved to have occurred within 72 hours of, and directly because of, an explosion and not because of erosion over time, structural fault</li> <li>• or design fault.</li> </ul>
ANZ	Excludes loss or damage caused by a bushfire or grass fire that occurs within 48 hours of the start of your Policy	<p>Page 9 <b>Referred to as “Fire or explosion”</b></p> <p>We will cover Loss or damage as a result of a fire or an explosion Loss or damage as a result of charring, melting or scorching as a result of a fire without the presence of</p>

**Table 3. Comparison of Home Building Insurance coverage of “Fire and Explosion” in 28 KFS and PDSs**

Insurer	KFS: Fire and explosion	PDS: Fire and explosion
		<p>flames</p> <p>We won't cover</p> <p>Loss or damage caused by a bushfire that occurs within 48 hours of the start date of your Policy unless you took out this policy immediately after:</p> <ul style="list-style-type: none"> <li>• Another insurance policy covering the same buildings expired without a break in cover, or</li> <li>• The risk passed to you as purchaser of your buildings</li> </ul> <p>Loss or damage as a result of charring, melting or scorching as a result of a fire without the presence of a flame where the damage was caused by a</p> <ul style="list-style-type: none"> <li>• Hot item including cigarettes, cigars or pipes</li> <li>• Home heater</li> <li>• Cooking appliance</li> </ul> <p>Unless you have selected and paid for Accidental loss or damage (Buildings) optional benefit</p>
Bank of Melbourne	We won't cover loss or damage caused by smoke where there was no flame at the site, or caused by scorching or melting where there was no flame.	<p>Page 17</p> <p><b>Fire</b></p> <p>Covered</p> <p>Loss or damage caused by fire where there was a flame.</p> <p>Loss or damage caused by smoke from:</p> <ul style="list-style-type: none"> <li>• a bushfire,</li> <li>• a fire on your property, or</li> <li>• a fire originating from your neighbour's property</li> </ul> <p>Essential Care policy (Basic) Excludes damage caused by smoke where there was no flame at the site</p> <p>Not covered</p> <p>Loss or damage caused by:</p> <ul style="list-style-type: none"> <li>• bushfire for a period of 7 days from the date the cover was initially provided by us, unless this policy is replacing another policy with equivalent bushfire cover and there has been no gap in cover and no change to the sum insured, or you have entered into a contract to purchase the property and the risk has passed to you as purchaser,</li> <li>• scorching or melting where there was no flame, or</li> <li>• smoke damage as a result of controlled back burning</li> </ul> <p>Page 16</p>

**Table 3. Comparison of Home Building Insurance coverage of “Fire and Explosion” in 28 KFS and PDSs**

Insurer	KFS: Fire and explosion	PDS: Fire and explosion
		<p><b>Explosion</b> Covered Loss or damage caused by an explosion.</p>
Bank of SA	<p>We won't cover loss or damage caused by smoke where there was no flame at the site, or caused by scorching or melting where there was no flame.</p>	<p>Page 18 <b>Fire</b> Covered Loss or damage caused by fire where there was a flame. Loss or damage caused by smoke from:</p> <ul style="list-style-type: none"> <li>• a bushfire,</li> <li>• a fire on your property, or</li> <li>• a fire originating from your neighbour's property</li> </ul> <p>Essential Care policy (Basic) Excludes damage caused by smoke where there was no flame at the site</p> <p>Not covered Loss or damage caused by:</p> <ul style="list-style-type: none"> <li>• bushfire for a period of 7 days from the date the cover was initially provided by us, unless this policy is replacing another policy with equivalent bushfire cover and there has been no gap in cover and no change to the sum insured, or you have entered into a contract to purchase the property and the risk has passed to you as purchaser,</li> <li>• scorching or melting where there was no flame, or</li> <li>• smoke damage as a result of controlled back burning</li> </ul> <p>Page 17 <b>Explosion</b> Covered Loss or damage caused by an explosion.</p>
Budget Direct	<p>Excludes loss or damage caused by scorching or melting when there was heat but no flame. Excludes the cost of repairing or replacing an item that explodes.</p>	<p>Page 8 <b>Fire</b> We will NOT cover</p> <ul style="list-style-type: none"> <li>• loss or damage caused by scorching or melting when there was heat but no flame, including scorch or burn marks caused by a cigar, cigarette or pipe</li> <li>• loss or damage caused by smoke or soot when the home or contents have not been damaged by fire.</li> </ul> <p>Page 31</p>

**Table 3. Comparison of Home Building Insurance coverage of “Fire and Explosion” in 28 KFS and PDSs**

Insurer	KFS: Fire and explosion	PDS: Fire and explosion
		<p>Uninsured Period any loss or damage that is caused by bushfire, grassfire, or a storm within the first 72 hours of the commencement of this insurance cover.</p> <p>Page 8 <b>Explosion</b> We will not cover: the cost of repairing or replacing the item that exploded</p>
CGU	Covered for fire and explosion. Not covered for loss or damage caused by a bushfire or grassfire within 48 hours of the start of your policy. Exceptions apply.	<p>Page 8 <b>Referred to as “Fire or explosion”</b></p> <p>We will cover your buildings or contents for loss or damage as a result of a fire or an explosion We will not cover loss or damage cause by a bushfire or grassfire within 48 hours of the start date of your policy unless:</p> <ul style="list-style-type: none"> <li>• you took out your insurance with us immediately after another insurance policy covering the same buildings or contents expired, without a break in cover</li> <li>• you took out your insurance with us immediately after the risk passed to you as purchaser of your building</li> <li>• you took out your insurance with us immediately after you sign a lease contract for your buildings.</li> </ul>
Coles	Fire requires flames and excludes: ignition or combustion of a heat or fire resistant item; or a bush or grass fire within 48 hours of cover starting.	<p>Page 18-19 What is covered <b>Fire</b> We will cover you for loss or damage caused by burning with flames.</p> <p>We will not cover you for loss or damage caused by:</p> <ul style="list-style-type: none"> <li>• scorching, burn marks or melting where there has been no flame, or</li> <li>• heat, soot, smoke or ash, unless your buildings or contents have caught on fire.</li> </ul> <p>We will not cover you for loss or damage to a heat or fire resistant item including but not limited to:</p> <ul style="list-style-type: none"> <li>• a heater, or</li> <li>• dryer, or</li> <li>• cooking appliance, or</li> <li>• an iron,</li> </ul> <p>if it ignites or combusts.</p>

**Table 3. Comparison of Home Building Insurance coverage of “Fire and Explosion” in 28 KFS and PDSs**

Insurer	KFS: Fire and explosion	PDS: Fire and explosion
		<p>Page 54-55                      We will not pay for any loss, damage or liability arising directly or indirectly from or in any way connected with any of the following:</p> <ul style="list-style-type: none"> <li>• bushfires, grass fires, flood, storm, rainwater or named cyclone occurring within 48 hours of the start date of your policy, unless:</li> <li>• you first took occupation of your home no more than 24 hours before the start date of your policy, or</li> <li>• your policy replaced another policy covering the same home and there has been no break in cover, in which case our liability is limited to the lower sum insured</li> <li>• under the 2 policies,</li> </ul> <p>Pages 21-22  <b>Explosion</b>                      We will cover you for loss or damage caused by an explosion.                      We will not cover you for loss or damage:</p> <ul style="list-style-type: none"> <li>• to the item that exploded, or</li> <li>• caused by any flammable substance kept at or brought onto your home or site if this is in breach of statutory regulations</li> </ul>
CommInsure	<p>Fire - Not covered for fire started with the intention of causing damage by you or a person who lives at your address</p> <p>Explosion - You are covered up to the sum insured for explosion however, the most we will pay to repair or replace the item that exploded if it forms part of your building is up to \$1,000</p>	<p>Page 5  <b>Fire</b>                      Definition                      Fire: The state of burning that produces flames.</p> <p>Page 43                      What is covered  <i>Your building and/or contents</i> are covered for loss or damage caused by:                      " <i>fire</i> (including bushfire); and/or heat, smoke and/or soot as a result of <i>fire</i> unless the <i>fire</i> was started with the intention of causing damage, or with reckless disregard of the consequences, by:                      you or a person who lives at your insured address;                      a person, who at the time of starting the <i>fire</i>, was at your insured address with your consent or the consent of a person who lives at your insured address; or                      a person with your consent or the consent of a person who lives at your insured address.</p>

**Table 3. Comparison of Home Building Insurance coverage of “Fire and Explosion” in 28 KFS and PDSs**

Insurer	KFS: Fire and explosion	PDS: Fire and explosion
		<p>If you have selected the Investment Home Package, cover is also available for an additional premium for Malicious Damage or Theft by Tenants as described on page 72. If you have purchased this cover it will be stated on your <i>Certificate of Insurance</i>.</p> <p>What is not covered  Your <i>building</i> and/or <i>contents</i> are not covered under this Insured Event for bushfire for the first 48 hours of this policy unless:  on the same day this policy commences you:  – enter into a contract to purchase your <i>insured address</i>; or  – move into the <i>insured address</i> as a <i>tenant</i>; or  you are replacing a similar home insurance policy without a break in cover. (However, if there is an increase in sum/s insured between the expiring policy and this policy, the increase in sum/s insured will not be covered for the first 48 hours of this policy.)</p> <p>Your <i>building</i> and/or <i>contents</i> are not covered under this Insured Event for loss or damage as described in the General Exclusions listed on pages 75 to 78.</p> <p>Excess  If we agree to pay a claim as a result of this Insured Event, the amount we pay will be reduced by the applicable excess, as described on page 79 and stated on your <i>Certificate of Insurance</i>.</p> <p>Limits  <i>Building, contents</i> and policy limits apply. Please refer to pages 10 to 15.</p> <p>Page 42  <b>Explosion</b>  What is covered  Your building and/or contents are covered for loss or damage caused by:  <ul style="list-style-type: none"> <li>• an explosion; and/or</li> <li>• landslide and/or subsidence which occurs within 72 hours of, and as a result of, an explosion.</li> </ul> You are only covered for up to \$1,000 to repair or replace the item that exploded if it forms part of your building or contents.</p> <p>What is not covered</p>

**Table 3. Comparison of Home Building Insurance coverage of “Fire and Explosion” in 28 KFS and PDSs**

Insurer	KFS: Fire and explosion	PDS: Fire and explosion
		<p>Your building and/or contents are not covered under this Insured Event for loss or damage as described in the General Exclusions listed on pages 75 to 78.</p> <p>Excess</p> <p>If we agree to pay a claim as a result of this Insured Event, the amount we pay will be reduced by the applicable excess, as described on page 79 and stated on your Certificate of Insurance.</p> <p>Limits</p> <p>The most we will pay for the item that exploded if it forms part of your building or contents is up to \$1,000.</p> <p>Building, contents and policy limits apply. Please refer to pages 10 to 15.</p>
Dodo	CEASED	CEASED
GIO	<p>Fire - no cover for loss or damage from arcing, scorching or cigarette burns unless a fire spreads from the initial burn spot.</p> <p>Explosion - no cover for the cost of repairing or replacing the tank or container that exploded</p>	<p>Page 23</p> <p><b>Fire</b></p> <p>We cover: Loss or damage caused by fire (burning with flames).</p> <p>Loss or damage arising from:</p> <ul style="list-style-type: none"> <li>• heat, ash, soot and smoke when your home and contents has not caught on fire <b>unless</b> it is caused by a burning building within <b>10</b> metres of the insured address;</li> <li>• arcing, scorching or cigarette burns <b>unless</b> a fire spreads from the initial burn spot;</li> <li>• pollution or vapour from a home heater or a cooking appliance <b>unless</b> a fire spreads from the initial source</li> </ul> <p>Page 4</p> <p>We do not insure you for bushfire, storm, flood or tsunami in the first <b>72</b> hours of your policy. Very limited exceptions apply.</p> <p>Page 29</p> <p><b>Explosion</b></p> <p>We cover Loss or damage caused by an explosion.</p> <p>We do not cover:</p> <ul style="list-style-type: none"> <li>• the cost of repairing or replacing the tank or container that exploded;</li> <li>• loss or damage caused by nuclear or biological devices;</li> <li>• loss or damage caused by erosion, vibration, subsidence, landslip, landslide, mudslide, collapse, shrinkage or any other earth movement, but we will cover loss or damage caused by a landslide or subsidence proved to have occurred within 72 hours of, and directly because of, an explosion</li> </ul>

**Table 3. Comparison of Home Building Insurance coverage of “Fire and Explosion” in 28 KFS and PDSs**

Insurer	KFS: Fire and explosion	PDS: Fire and explosion
		and not because of erosion over time, structural fault or design fault.
ING	Excludes loss or damage caused by scorching or melting when there was heat but no flame. Excludes the cost of repairing or replacing an item that explodes.	<p>Page 8  <b>Fire</b>                      We will NOT cover</p> <ul style="list-style-type: none"> <li>• loss or damage caused by scorching or melting when there was heat but no flame, including scorch or burn marks caused by a cigar, cigarette or pipe</li> <li>• loss or damage caused by smoke or soot when the home or contents have not been damaged by fire.</li> </ul> <p>Page 31                      Uninsured Period                      any loss or damage that is caused by bushfire, grassfire, or a storm within the first 72 hours of the commencement of this insurance cover.</p> <p>Page 8  <b>Explosion</b>                      We will NOT cover the cost of repairing or replacing the item that exploded</p>
NRMA	We cover fire and explosion as separate events Fire – Not covered for damage from scorching or melting where there was no flame. Explosion – Not covered for the item that exploded.	<p>Page 26  <b>Fire</b>                      If loss or damage is caused by fire</p> <p>Covered</p> <ul style="list-style-type: none"> <li>• fire</li> <li>• bushfire</li> </ul> <p>Not covered</p> <ul style="list-style-type: none"> <li>• if the fire was started with the intention to cause damage by:</li> <li>• you or someone who lives in your home – for example, a tenant, or someone who enters your home with your consent, or the consent of someone who lives there</li> <li>• loss or damage which results from scorching or melting where there was no flame</li> </ul> <p>Page 26  <b>Explosion</b>                      If loss or damage is caused by an explosion and there is physical evidence of the explosion</p> <p>Covered</p> <ul style="list-style-type: none"> <li>• explosion</li> <li>• landslide or subsidence that happens immediately as a result of an explosion</li> </ul>

**Table 3. Comparison of Home Building Insurance coverage of “Fire and Explosion” in 28 KFS and PDSs**

Insurer	KFS: Fire and explosion	PDS: Fire and explosion
		Not covered <ul style="list-style-type: none"> <li>• the item that exploded</li> </ul>
QBE	Excludes damage caused by charring, melting or scorching without flames and damage to a heat resistant item if the fire only caused damage to that item.	Page 17 <b>Fire</b> Definition Fire: Fire producing flames, but not charring, melting or scorching without flames.  Page 31 What we'll cover Damage caused by a fire.  We won't cover Damage: <ul style="list-style-type: none"> <li>• Caused by charring, melting or scorching as a result of fire without the presence of flames</li> <li>• From ash, soot or smoke</li> <li>• To heat resistant items and any fittings or attachments on or in them if the fire only caused damage to that item.</li> </ul> Examples of heat resistant items include cooking appliances, irons, toasters, microwave ovens, heaters, clothes dryers, electric kettles, chimneys, fireplaces, ovens and potbelly stoves  Page 31 <b>Explosion</b> What we'll cover: Damage caused by an explosion We won't cover: The item that exploded.
RAA	But we will not cover for loss or damage caused by scorching or heat damage where there has been no ignition.	Page 7  <b>Fire (including bushfire)</b> Loss or damage as a result of fire including bushfire. But we will not cover you for loss or damage: <ul style="list-style-type: none"> <li>• caused by scorching or heat damage where there has been no ignition</li> <li>• caused by cigarette/cigar marks or scorching</li> <li>• to floor coverings caused by an open fire, combustion heater, pot belly stove, or stove</li> <li>• for the cost of repairing an electrical breakdown or shortcircuit (however we will pay for resulting fire damage)</li> <li>• caused by bushfire for the first 48 hours of this</li> </ul>

**Table 3. Comparison of Home Building Insurance coverage of “Fire and Explosion” in 28 KFS and PDSs**

Insurer	KFS: Fire and explosion	PDS: Fire and explosion
		<p>policy unless:</p> <ul style="list-style-type: none"> <li>- your policy commenced immediately after another policy covering the same property, or</li> <li>- your policy expired without a break in cover, or</li> <li>- you have just purchased the home.</li> </ul> <p><b>Explosion</b> Loss or damage as a result of explosion. But we will not cover you for loss or damage to the tank or container that explode.</p>
RAC	<p>RAC separates out Fire and Explosion. The order is also very different to other KFSs</p> <p>Fire: No cover for bushfire for the first 48 hours after the start of this policy except in certain situations detailed in the PDS.</p> <p>Explosion No cover to the actual container, tank or item that exploded</p>	<p>Page 9 <b>Fire</b> Unless otherwise provided for in this policy, we do not cover: Loss or damage caused by: » Bushfire within the first 48 hours after the initial commencement of your policy, unless your policy commenced: ➤ When you first took possession of your building. ➤ When your lease for your building first commenced. ➤ Immediately after another policy covering the same risk expired without a break in cover.</p> <p>Page 28 We will not cover loss, damage or liability caused by flood, storm or bushfire within the first 48 hours after the initial commencement of your policy or to the extent that you have increased your existing insurance cover, unless this policy or increase commenced: ➤ » When you first took possession of your building. ➤ » When your lease for your building commenced. ➤ » Immediately after another policy covering the same risk expired.</p> <p>Page 10 <b>Explosion</b> Unless otherwise provided for in this policy, we do not cover: Loss or damage caused: ➤ » To the actual container, tank or item that exploded. ➤ » By any flammable or explosive substance kept at or brought into your site in breach of any statutory regulation.</p>
RACQ	You're not covered for loss or damage caused by smoke or heat	Page 21 <b>Fire</b>

**Table 3. Comparison of Home Building Insurance coverage of “Fire and Explosion” in 28 KFS and PDSs**

Insurer	KFS: Fire and explosion	PDS: Fire and explosion
	<p>(e.g. melting or scorching) when your home did not catch fire unless it is caused by a fire within 100 metres of the insured address. You’re not covered for loss or damage to an item or device that explodes. PDS pg. 21</p>	<p>A fire needs to have an actual flame. It does not include smoke or heat damage to your home or contents on its own. For example, we don’t cover you if you put a hot saucepan on your kitchen bench top and it scorches the surface.</p> <p>Yes</p> <ul style="list-style-type: none"> <li>• A fire causes loss or damage to your home or contents.</li> </ul> <p>No</p> <ul style="list-style-type: none"> <li>• Loss or damage caused by smoke or heat (e.g. melting or scorching) when your home or contents did not catch fire (but we do cover you if the loss or damage is caused by a fire that is within 100 metres of your home)</li> <li>• If your home is unoccupied, anything that happens after the first 60 days that no one has been living in your home.</li> <li>• A bushfire that happens during the first 72 hours from when we first cover your home or contents (but we do cover you if you take out your policy when you sign a contract to buy your home or we replace another insurance policy).</li> <li>• The items we don’t cover as your home or contents shown on pages 13 and 16.</li> <li>• The general exclusions shown on pages 61-63.</li> </ul> <p>Limits \$ Up to the general limits shown on pages 69 and 71.</p> <p>Page 21</p> <p><b>Explosion</b></p> <p>Explosion is when an item, device or substance blows up. For example, your gas bottle explodes or a gas leak causes an explosion.</p> <p>Yes</p> <ul style="list-style-type: none"> <li>• An explosion causes loss or damage to your home or contents.</li> </ul> <p>No</p> <ul style="list-style-type: none"> <li>• Loss or damage to an item or device that explodes.</li> <li>• If your home is unoccupied, anything that happens after the first 60 days that no one has been living in your home.</li> <li>• The items we don’t cover as your home or contents shown on pages 13 and 16.</li> <li>• The general exclusions shown on pages 61-63.</li> </ul> <p>Limits \$ Up to the general limits shown on pages 69 and 71.</p>
RACT	Fire and Explosion are separated	Page 22

**Table 3. Comparison of Home Building Insurance coverage of “Fire and Explosion” in 28 KFS and PDSs**

Insurer	KFS: Fire and explosion	PDS: Fire and explosion
	<p>Fire Damage caused by cigarette or cigar marks or burns is not covered Explosion: &lt;Left empty&gt;</p>	<p><b>Fire</b> Insured Event: e) Fire</p> <p>Page 23 But your Home is NOT covered for:</p> <p>Bushfire for the first 48 hours after the start of your Home Insurance Policy unless:</p> <ul style="list-style-type: none"> <li>• you bought or entered into the lease for your Home in the 24 hours before the policy commenced; or</li> <li>• your policy commenced immediately after another policy covering the same risk expired, without a break in cover. The maximum amount of cover is the amount of cover available under the previous policy.</li> </ul> <p>Any increases in sums insured for the first 48 hours. Cigarette or cigar marks or burns. Scorching or burn marks where there has been no flame.</p> <p>Page 22 Explosion Insured Event: f) Explosion</p> <p>Loss or damage directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with biological, chemical, radioactive, or nuclear pollution or contamination or explosion.</p>
RACV	<p>We refer to this event as 2 separate events ‘Fire’ and ‘Explosion’. Fire – Not covered for damage from scorching or melting if your home didn’t catch fire. Explosion – Not covered for the item that exploded.</p>	<p>Page 26 <b>Fire</b> If loss or damage is caused by fire Covered</p> <ul style="list-style-type: none"> <li>• fire</li> <li>• bushfire</li> </ul> <p>Not covered</p> <ul style="list-style-type: none"> <li>• if the fire was started with the intention to cause damage by:</li> <li>• you or someone who lives in your home – for example, a tenant, or someone who enters your home with your consent, or the consent of someone who lives there</li> <li>• damage which results from scorching or melting where there was no flame</li> </ul> <p>Page 26 <b>Explosion</b></p>

**Table 3. Comparison of Home Building Insurance coverage of “Fire and Explosion” in 28 KFS and PDSs**

Insurer	KFS: Fire and explosion	PDS: Fire and explosion
		<p>If loss or damage is caused by an explosion and there is physical evidence of the explosion</p> <p>Covered</p> <ul style="list-style-type: none"> <li>• explosion</li> <li>• landslide or subsidence that happens immediately as a result of an explosion</li> </ul> <p>Not covered</p> <p>the item that exploded</p> <p>Page 64</p> <p>Maintaining and occupying your home</p> <p>We don't cover loss, damage, injury or death from .... You illegally keeping explosives, flammable or combustible substances or liquids in your home or at your site</p>
SGIC	Not available	<p>Page 27</p> <p><b>Fire</b></p> <p>If loss or damage is caused by fire</p> <p>Covered</p> <ul style="list-style-type: none"> <li>• fire</li> <li>• bushfire</li> </ul> <p>Not covered</p> <ul style="list-style-type: none"> <li>• if the fire was started with the intention to cause damage by:</li> <li>• you or someone who lives in your home – for example, a tenant, or someone who enters your home with your consent, or the consent of someone who lives there</li> <li>• damage which results from scorching or melting when your home or contents did not catch fire</li> </ul> <p>Page 29</p> <p><b>Explosion</b></p> <p>If loss or damage is caused by an explosion and there is physical evidence of the explosion</p> <p>Covered</p> <ul style="list-style-type: none"> <li>• explosion</li> <li>• landslide or subsidence that happens immediately as a result of an explosion</li> </ul> <p>Not covered</p> <p>the item that exploded</p> <p>Page 55</p> <p>Maintaining and occupying your home</p> <p>We don't cover loss, damage, injury or death from .... You illegally keeping explosives, flammable or combustible substances or liquids in your home or at your site</p>

**Table 3. Comparison of Home Building Insurance coverage of “Fire and Explosion” in 28 KFS and PDSs**

Insurer	KFS: Fire and explosion	PDS: Fire and explosion
SGIO	Not covered for loss, destruction, or damage caused by the property’s own spontaneous combustion	<p>Page 27</p> <p><b>Fire</b></p> <p>If loss or damage is caused by fire</p> <p>Covered</p> <ul style="list-style-type: none"> <li>• fire</li> <li>• bushfire</li> </ul> <p>Not covered</p> <ul style="list-style-type: none"> <li>• if the fire was started with the intention to cause damage by:</li> <li>• you or someone who lives in your home – for example, a tenant, or someone who enters your home with your consent, or the consent of someone who lives there</li> <li>• damage which results from scorching or melting when your home or contents did not catch fire</li> </ul> <p>Page 29</p> <p><b>Explosion</b></p> <p>If loss or damage is caused by an explosion and there is physical evidence of the explosion</p> <p>Covered</p> <ul style="list-style-type: none"> <li>• explosion</li> <li>• landslide or subsidence that happens immediately as a result of an explosion</li> </ul> <p>Not covered</p> <ul style="list-style-type: none"> <li>• the item that exploded</li> </ul> <p>Page 55</p> <p>Maintaining and occupying your home</p> <p>We don’t cover loss, damage, injury or death from .... You illegally keeping explosives, flammable or combustible substances or liquids in your home or at your site</p>
St George	We won’t cover loss or damage caused by smoke where there was no flame at the site, or caused by scorching or melting where there was no flame.	<p>Page 18</p> <p><b>Fire</b></p> <p>Covered</p> <p>Loss or damage caused by fire where there was a flame.</p> <p>Loss or damage caused by smoke from:</p> <ul style="list-style-type: none"> <li>• a bushfire,</li> <li>• a fire on your property, or</li> <li>• a fire originating from your neighbour’s property</li> </ul> <p>Essential Care policy (Basic) Excludes damage caused by smoke where there was no flame at the site</p>

**Table 3. Comparison of Home Building Insurance coverage of “Fire and Explosion” in 28 KFS and PDSs**

Insurer	KFS: Fire and explosion	PDS: Fire and explosion
		<p>Not covered Loss or damage caused by:</p> <ul style="list-style-type: none"> <li>• bushfire for a period of 7 days from the date the cover was initially provided by us, unless this policy is replacing another policy with equivalent bushfire cover and there has been no gap in cover and no change to the sum insured, or you have entered into a contract to purchase the property and the risk has passed to you as purchaser,</li> <li>• scorching or melting where there was no flame, or</li> <li>• smoke damage as a result of controlled back burning</li> </ul> <p>Page 17 <b>Explosion</b> Covered Loss or damage caused by an explosion.</p>
Suncorp	Fire - no cover for loss or damage from arcing, scorching or cigarette burns unless a fire spreads from the initial burn spot. Explosion - no cover for the cost of repairing or replacing the tank or container that exploded.	<p>Page 19 <b>Fire</b> We cover Loss or damage caused by fire (burning with flames). We do not cover Loss or damage arising from:</p> <ul style="list-style-type: none"> <li>- heat, ash, soot and smoke when your home or contents has not caught on fire unless it is caused by a burning building within 10 metres of the insured address;</li> <li>- arcing, scorching or cigarette burns unless a fire spreads from the initial burn spot;</li> <li>- pollution or vapour from a home heater or a cooking appliance unless a fire spreads from the initial source</li> </ul> <p>Page 59 General Exclusions: Bushfires, storms, floods, tsunamis in the first 72 hours of cover: a bushfire, storm, flood or tsunami in the first 72 hours of cover.</p> <p>Page 64 What you must not do do not wash or clean or remove debris from any area damaged by fire without our consent unless you need to do this to prevent further loss;</p> <p>Page 25 <b>Explosion</b> We cover Loss or damage caused by an explosion.</p>

**Table 3. Comparison of Home Building Insurance coverage of “Fire and Explosion” in 28 KFS and PDSs**

Insurer	KFS: Fire and explosion	PDS: Fire and explosion
		<p>We do not cover</p> <ul style="list-style-type: none"> <li>- the cost of repairing or replacing the tank or container that exploded;</li> <li>- loss or damage caused by nuclear or biological devices;</li> <li>- loss or damage caused by erosion, vibration, subsidence, landslip, landslide, mudslide, collapse, shrinkage or any other earth movement, but we will cover loss or damage caused by a landslide or subsidence that occurs within 72 hours of, and directly because of, an explosion and not because of erosion over time, structural fault or design fault.</li> </ul>
TIO	Not covered for loss or damage arising from the undergoing of a process necessarily involving the application of heat	<p>Page 16 <b>Fire or Explosion</b> We will cover you for loss or damage that is caused by or results from fire or explosion.</p> <p>We will not cover loss or damage caused by visitors lawfully at the risk address (other than a fire lit by the visitor).</p> <p>Page 31 The following exclusions apply to all sections of cover provided by this policy except for Section 4 Legal Liability: ... h) the undergoing of a process necessarily involving the application of heat</p> <p>Page 15 Accidental Glass Breakage: We will not cover... glass as a result of its undergoing a process necessarily involving the application of heat</p>
Virgin Money	Excludes loss or damage caused by scorching or melting when there was heat but no flame. Excludes the cost of repairing or replacing an item that explodes.	<p>Page 8 <b>Fire</b> We will NOT cover:</p> <ul style="list-style-type: none"> <li>• loss or damage caused by scorching or melting when there was heat but no flame, including scorch or burn marks caused by a cigar, cigarette or pipe</li> <li>• loss or damage caused by smoke or soot when the home or contents have not been damaged by fire.</li> </ul> <p>Page 8 <b>Explosion</b> We will NOT cover: the cost of repairing or replacing the item that exploded.</p>
Westpac	We won't cover loss or damage caused by smoke where there	Page 18 <b>Fire</b>

**Table 3. Comparison of Home Building Insurance coverage of “Fire and Explosion” in 28 KFS and PDSs**

Insurer	KFS: Fire and explosion	PDS: Fire and explosion
	<p>was no flame at the site, or caused by scorching or melting where there was no flame.</p>	<p>Covered Loss or damage caused by fire where there was a flame. Loss or damage caused by smoke from:</p> <ul style="list-style-type: none"> <li>• a bushfire,</li> <li>• a fire on your property, or</li> <li>• a fire originating from your neighbour’s property</li> </ul> <p>Essential Care policy (Basic) Excludes damage caused by smoke where there was no flame at the site</p> <p>Not covered Loss or damage caused by:</p> <ul style="list-style-type: none"> <li>• bushfire for a period of 7 days from the date the cover was initially provided by us, unless this policy is replacing another policy with equivalent bushfire cover and there has been no gap in cover and no change to the sum insured, or you have entered into a contract to purchase the property and the risk has passed to you as purchaser,</li> <li>• scorching or melting where there was no flame, or</li> <li>• smoke damage as a result of controlled back burning</li> </ul> <p>Page 17 <b>Explosion</b> Covered Loss or damage caused by an explosion.</p>
Woolworths	<p>Excludes loss or damage caused by the ignition of any mineral spirit or dangerously flammable substance brought on to or kept at your site in quantities which are in breach of any statutory regulations.</p>	<p>Page 13 <b>Fire (where there is a flame) and explosion</b> You are not covered for: Loss of damage:</p> <ul style="list-style-type: none"> <li>• to a heat resistant item such as a cooking appliance, dryer, arc or iron if it ignites;</li> <li>• caused by any process involving the application of heat where there is no flame, including cigarette burn marks and scorch marks caused by an iron or radiator (unless who have taken out comprehensive cover)</li> <li>• caused by the ignition of any mineral spirit or dangerously flammable substance brought onto or kept at your site which are in breach of any statutory regulations</li> </ul> <p>Page 43 Exclusions You are not covered for ... bushfire ...which occurs within 72 hours</p>
Youi	No cover for damage caused by	Page 11

**Table 3. Comparison of Home Building Insurance coverage of “Fire and Explosion” in 28 KFS and PDSs**

Insurer	KFS: Fire and explosion	PDS: Fire and explosion
	<p>soot or smoke, heat, smouldering, scorching or melting, where there were no flames. Explosion - no cover for any loss of or damage to the item that exploded.</p>	<p><b>Fire</b>            What is covered?            Loss or damage to the insured property caused by accidental fire. This includes fire caused directly by mechanical, electrical or electronic (including computer software) breakdown or failure.            Under your contents policy, loss or damage caused by soot or smoke from</p> <ul style="list-style-type: none"> <li>- bushfire;</li> <li>- accidental fire where the flames were within 10 metres of the buildings.</li> </ul> <p>Where you have increased your sum insured on this policy within 72 hours of a bushfire occurring, cover will be limited to the sum insured that was effective 72 hours prior to the event.</p> <p>What is not covered?            Any loss, damage or legal liability caused by:</p> <ul style="list-style-type: none"> <li>• soot or smoke to the building;</li> <li>• bushfire during the first 72 hours of your policy commencing, unless:</li> <li>• you had another policy that expired immediately before the start of your policy with us and there was no break or change in the level or type of cover; or</li> <li>• you moved into the premises or signed a purchase or lease agreement for the premises on the same day your policy with us started;</li> <li>• glowing, heat, smouldering, scorching or melting, where there were no flames.</li> </ul> <p>Page 11</p> <p><b>Explosion</b>            What is covered?            Loss or damage to the insured property caused by accidental explosion.            What is not covered?            Any loss of or damage to the item that exploded, whether or not we accept a claim for loss or damage caused by the explosion.</p>

Notes:

1. 28 insurers drawn from CHOICE Review of 29 Insurers, March 2018 <https://www.choice.com.au/money/insurance/home-and-contents/review-and-compare/home-and-contents-insurance>. Dodo Insurance, the 29<sup>th</sup> insurer has closed since March 2018 and has not been included.
2. Websites were accessed between 23-25 May 2018.
3. Confined to all Building KFSs and PDS.
4. Did not include reference to additional extras such as Accidental Damage