

StoreProtect FAQs

What do I need to do before I can offer StoreProtect?

StoreProtect is only available to operators who arrange a Basil Fry Customers' Goods Liability insurance policy via Aviso Marine & Logistics, part of Aviso Broking).

To do this, operators must provide Aviso with a completed Application Form. A pack of information, template contract documents and a quotation will be provided.

All operators must accept the quotation and confirm to Aviso the guidance provided in the Implementation Guide has been followed.

Requirements of the Basil Fry Customers' Goods Liability Policy

- StoreProtect must be added to websites and customer documents/communications. All references to insurance must be removed from documents, online presence, marketing materials or other customer communications.
- Operators must speak to their software provider to ensure all invoices and online booking systems correctly reference StoreProtect instead of insurance.
- All customers who are determined by the operator as being within the target market and who want to use StoreProtect must sign up using the 2023 SSAA licence agreement with StoreProtect. The StoreProtect Addendum must be provided to every customer within the target market. It includes a link to the Target Market Determination document that will be used by operators to determine whether a customer is within the target market for StoreProtect (available at www.basilfry.co.uk/australia/downloads).
- StoreProtect must never be provided to customers outside the target market. Extended liability protection will be offered to all customers via your standard customer contracts. However, StoreProtect is not suitable for all customers and it must not be provided where it is identified that a customer falls outside the target market (per the Target Market Determination document).
- StoreProtect is an agreement between the operator and customers. As StoreProtect is a financial product (but not insurance), there is a Product Governance Framework that applies. **All operators must read this document and comply with the requirements set out in at all times** (available at www.basilfry.co.uk/australia/downloads).
- Operators must record any StoreProtect-related complaints made by customers. Basil Fry will periodically request details.

Significant dealings outside the target market

If a substantial amount of distribution is occurring outside the target market or if distribution outside the target market is causing significant consumer harm, it must be reported to ASIC as a significant dealing.

Operators are required to notify ASIC of any significant dealings outside the target market within 10 business days. Guidance on this important area is provided under sections 5.2 and 5.3 of the Product Governance Framework.

What protection does StoreProtect provide?

StoreProtect provides ‘all risks’ extended contractual liability protection for loss or damage to customers’ goods, subject to conditions. Protection is provided to customers on a new-replacement basis. **The maximum goods value that can be accepted is \$100,000 per customer.**

Protection is provided for certain causes of loss or damage which could be reasonably prevented, such as: fire; flooding or water ingress caused by surface of water or backing up of drains; theft following a break-in to the unit; moth, insect or vermin damage when caused by a source external to the affected customer unit; water ingress from the roof or walls; and burst pipes.

Operators are not liable for unavoidable causes of loss or damage, such as major flooding incidents, atmospheric/climatic causes, Acts of God, war and terrorism, for example.

When do I need to contact my broker to arrange more insurance cover?

Operators purchase ‘blocks’ of cover for StoreProtect. The starting package includes \$250,000 per location.

Operators must keep a record of all StoreProtect values. The best way of doing this is in customer management software. Operators must monitor the total StoreProtect values at each location and notify Aviso if they approach the limit provided. There is no requirement to contact Aviso unless the total StoreProtect values approach the stated limit for any store.

Aviso will ask for periodic declarations of value. A record of the monthly StoreProtect values in each store must be maintained. We recommend choosing a consistent day of each month to run this data. Automated reports may be set up – we recommend speaking with software providers for guidance.

The below diagram shows an example of how this works:

| | Total StoreProtect Values | Location Limit | |
|-----------|---------------------------|----------------|-------------------------|
| January | \$25,000 | \$250,000 | |
| February | \$80,000 | \$250,000 | |
| March | \$150,000 | \$250,000 | |
| April | \$250,000 | \$500,000 | ← Quarterly Declaration |
| May | \$300,000 | \$500,000 | |
| June | \$425,000 | \$750,000 | ← Contact Aviso |
| July | \$500,000 | \$750,000 | ← Quarterly Declaration |
| August | \$575,000 | \$750,000 | |
| September | \$650,000 | \$750,000 | |
| October | \$750,000 | \$1,000,000 | ← Contact Aviso |
| November | \$900,000 | \$1,000,000 | |
| December | \$1,100,000 | \$1,250,000 | ← Quarterly Declaration |

The Basil Fry Customers’ Goods Liability insurance policy will contain a monthly adjustment rate. An additional premium will be payable for any cover beyond the starting limit of \$250,000. The cover is typically provided in \$250,000 blocks. Premiums will generally be payable as an adjustment at the end of each policy year; however, if multiple blocks are required mid-term due to a significant increase in StoreProtect values, operators may be required to pay an additional premium mid-term.

How do I sell StoreProtect?

StoreProtect is an optional additional service that should be sold alongside storage. Customers can opt-out at any time (per the terms and conditions of the StoreProtect Addendum).

Operators must fully comply with the Product Governance Framework at all times (available at www.basilfry.co.uk/australia/downloads). Operators must ensure StoreProtect is not offered to customers outside the target market (as stated in the Target Market Determination document).

All customers within the target market who want to use StoreProtect must sign up using the 2023 SSAA licence agreement with StoreProtect.

Customers must sign the front page of the licence agreement indicating they wish to opt-in and state their Maximum Replacement Value. Operators cannot give customers advice on how to calculate this figure. All customers must be told to read the StoreProtect Addendum before signing up so they understand how to calculate their declared value correctly.

How much can I charge for StoreProtect?

Operators can charge additional fees to customers who opt for StoreProtect, subject to GST. Operators determine the cost and/or sliding scale of StoreProtect Fees.

We recommend:

- Scalable charges depending on the stored goods value declared by customers;
- Reducing rates per \$1,000 as customer values increase;
- Minimum values for each unit size; and
- All prices must be transparent, fair and reasonable.

Remember, operators are responsible for implementing the fees, recording the appropriate fee on the agreement schedule, collecting the fees and providing the relevant invoice/receipt documentation in line with normal business processes.

Do customers still have to buy insurance?

StoreProtect is not available to a customer who has taken out insurance for stored goods. A customer can either opt in to StoreProtect (subject to being within the target market), take out insurance or rely on standard contractual liability.

How is the Maximum Replacement Value calculated?

The **Maximum Replacement Value** provided for StoreProtect must represent the total current cost of replacing all stored property as new, except the following items where the replacement value is calculated differently:

- household linen and clothing, where the replacement value allows for the age, quality, degree of use, existing damage and consequent market value;
- any goods which cannot be purchased new (such as antiques, for example), where the replacement value shall be the current market value; and
- documents, where the replacement value shall be calculated as the physical cost of replacing the documents and cost of reprinting, re-issue and reconstitution, but excluding the value of the information contained in the documents

Remember, StoreProtect cannot be provided for customers storing goods with a Maximum Replacement Value above \$100,000.

What if the Maximum Replacement Value provided is too low?

If the Maximum Replacement Value provided is less than the actual total replacement value of all property stored at the time of loss or damage, then the operator's liability under StoreProtect will be reduced to reflect the proportion that the Maximum Replacement Value bears to the actual total replacement value ("Proportional Reduction").

For example, if the total replacement value of a customer's property is \$10,000, but they have declared a Maximum Replacement Value of \$5,000, the operator's liability will be reduced by 50%. So, if \$3,000 worth of goods are lost or damaged, the claim payment would be \$1,500.

Who handles claims?

The StoreProtect Addendum includes an email address for claim notifications. Customer claims under StoreProtect will be handled by a specialist third party on behalf of self storage facility operators. Customers can notify claims to operators for onward submission to their Claims Administrator, or to the Claims Administrator directly. Some information may be requested from operators, but the third party claim handler will handle discussions with customers.

Do I have to pay an excess on claims?

There is no excess to be paid by operators for StoreProtect claims. Customers will have \$100 deducted from successful claims as an admin fee. There is no admin fee payable by customers if their claim is unsuccessful or falls below \$100.

Can I provide StoreProtect to all customers?

StoreProtect can be offered to all customers that are within the target market, including those in traditional storage and purpose-built/converted external container storage. Every store must be declared to Aviso and stated on your insurance documents before StoreProtect is offered to customers.

StoreProtect cannot be provided for:

- Any customer that falls outside the target market as shown in the Target Market Determination document.
- any motor car, van, truck, trailer, caravan, boat or other kind of vehicle, including all goods in, and fixed to, that vehicle ("Vehicles") stored outside of Your storage Space; or
- alcohol, wine or beer unless it is stored in a temperature, humidity and light-controlled environment.

The following goods are restricted:

- Jewellery, watches, precious stones, precious metals, and stamps of all kinds exceeding \$1,000 combined total; and
- Electronic Items exceeding \$25,000 combined total. "Electronic Items" is defined as all items of consumer and commercial electrical appliances and instruments, including but not limited to televisions, computers, laptops, computers, tablets, mobile phones, cameras, hi-fi's, stereos and the like. Heavy electrical items such as switchgear, turbines, generators and the like shall not be deemed to be electronics.

If customers request increases to the above stated limitations, you must inform the customer that StoreProtect is not available and recommend they purchase insurance elsewhere.

Does the Deferred Sales Model and other insurance related rules apply?

StoreProtect is an optional add-on sold by the self storage facility operator. StoreProtect must be sold to a customer by a self storage facility operator at the same time as the customer enters into the storage licence agreement.

Operators must comply with all consumer protection requirements when selling StoreProtect. These requirements are set out in the Product Governance Framework, available at www.basilfry.co.uk/australia/downloads. (ie, no misleading and deceptive conduct; no false statements; no unconscionable conduct etc).