













































## Case study

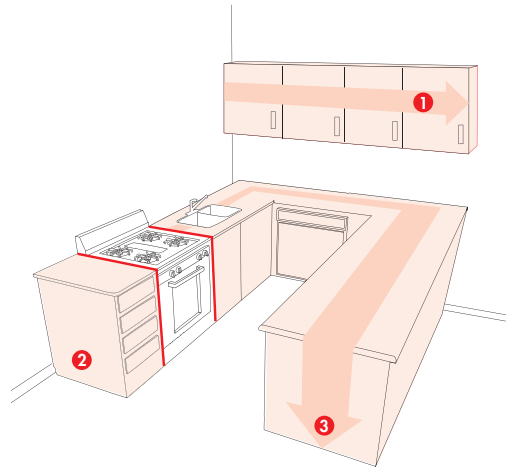
The extent of repairs carried out to match undamaged areas in a kitchen.

**To match undamaged areas to the damaged parts, they must be:**

- continuously joined; **and**
- on the same level; **and**
- made of the same material.

**In this kitchen case study**

Areas 1, 2 and 3 will be treated as separate sections. The oven breaks up the bottom level into two sections (e.g. if only section 2 is damaged, we will not pay to replace sections 1 and 3).



## \*What we mean by same room, stairs, hallway or passageway

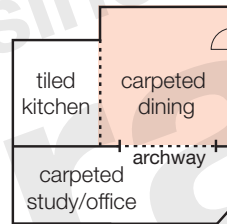
### Same room

A room is an area starting and finishing at:

- its nearest walls;
- nearest doorway, archway or similar opening of any width;
- a change in the floor or wall covering.

A hallway next to a room is not the same room, even if it has the same floor or wall covering as the room.

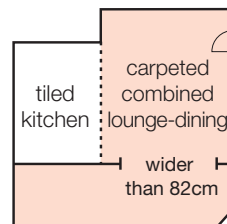
Any archway or similar opening separates a room unless it is a combined lounge-dining room (below)



### Combined lounge-dining room

We will only combine rooms with a shared doorway, archway or similar opening when:

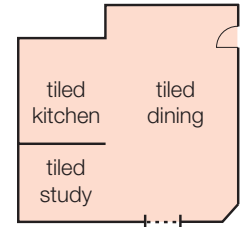
- they are lounge and dining rooms; **and**
- the shared doorway, archway or similar opening is wider than **82cm**; **and**
- the floor or wall covering is the same in both rooms.



## Open plan areas

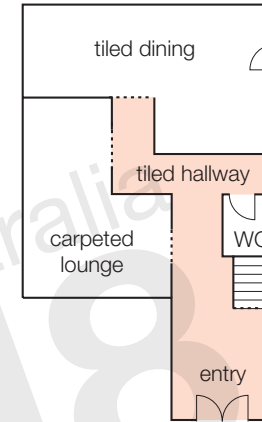
When there is no wall, archway, doorway or similar opening, the room continues until:

- a change in the floor or wall covering;
- the nearest wall, doorway, archway or similar opening.



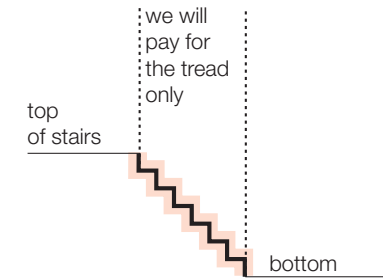
## Same passageway or hallway

A passageway or hallway has the same meaning as a room. We will not combine a hallway and a room.



## Same stairs

Side view of stairs



## Legend

- Shaded areas show the area that we consider the same room, stairs, hallway or passageway.
- Solid lines represent floor to ceiling walls.
- ..... Dotted lines show boundaries of a room or area where there is no physical barrier present (e.g. no wall or door).

## Dealing with defects

### If a known defect is the cause of the damage

We do not pay for loss or damage caused by a defect, structural fault or design fault at the building that you knew about (or should reasonably have known about) and did not fix before the loss or damage occurred.

### If an unknown defect is the cause of the damage

If an incident covered by your policy damages the building and an unknown defect was the cause or part of the cause, we will pay for the resulting damage. If the unknown defective part of the building is also damaged by the same incident, we will fix this as well.

### We do not rectify structural or design faults

When we accept a claim, we will not pay extra to rectify a structural or design fault at the building that you knew about (or should reasonably have known about). We will only pay you what it would have cost us to fix the damage from the incident covered by your policy or if we agree, you can pay us the extra amount it costs to rectify the structural or design fault at the building.

### If undamaged defective parts of the building will not support repairs

If undamaged defective parts of the building you knew about (or should reasonably have known about) will not support repairing the damage caused by an incident covered by your policy, we will only pay what it would have cost us to repair the damage had the building not been defective.

### For known defects or faults

Once you become aware of a defect, structural or design fault at the building, you must rectify it as soon as possible because there is no cover for loss or damage due to that defect. If you do not rectify the defect or fault, you may not be covered or we might not offer a renewal of your policy.

## Changes to the building

### If you want to change the design of the building

When repairing or rebuilding the building, if we agree, you can choose to change the design of the building or upgrade parts of it, providing you pay the extra costs of doing this. If you want to downsize the building for less cost than you are entitled to claim, we will not pay more than it costs us to rebuild the downsized building.

### Choosing to rebuild on another site

If the building is to be rebuilt following an incident covered by your policy you can choose to have the building rebuilt on another site providing you pay any extra costs involved.

## Lifetime guarantee on building repairs

When we repair or rebuild the building, we guarantee the quality of materials and workmanship of that work for the lifetime of the building if we:

- authorise;
- arrange; **and**
- pay the builder or repairer directly for this work.

### What we guarantee

We guarantee the material used and standard of the workmanship to be free of defects. If a defect arises in the lifetime of the building as a result of poor quality workmanship or use of incorrect materials, then we will rectify the problem.

### This guarantee does not apply:

- to repairs you authorise or make yourself;
- to loss, damage or failure of any electrical or mechanical appliances or machines;
- to wear and tear consistent with normal gradual deterioration of the building (e.g. paint peeling off after its expected life cycle, wood rotting from moisture in the air or ground, roofs weathering or a hot water tank leaking after its guaranteed life);
- where we agree with a repair quote and we give you, or the builder or repairer, payment for the cost of the repairs and you arrange the repairs.

## What happens after a claim is paid?

---

When a claim is paid following loss or damage to the building following an incident covered by your policy the below applies:

### Potential impact on cover and premiums

If we only pay part of the total cost to repair or rebuild the building, your policy continues for the period of cover.

If we have paid a claim for loss or damage to the building that we assess as a total loss, all cover under your policy, including the legal liability cover it provides, stops. There is no refund of premium.

If you have been paying your premium by instalments, we will deduct the remaining instalments for the unexpired period of cover from the amount we pay for the claim, or we will require you to pay the remaining instalments to us if we decide to rebuild the building.

### Salvaged building items

We can take and keep any recovered, salvaged or damaged item and sell it and keep the proceeds after we have replaced the item or paid you for it.

### Our right to recover claims we pay from those responsible

After we pay a claim under your policy, we can decide to take legal action in your name to recover money from the person or entity which caused the loss, damage or liability. You must give us all the help we need to do this. If we recover money that belongs to you and was not part of the claim we paid, we will give this to you.

#### More Details

For examples on how a claim payment might typically be calculated and the effect it may have on your premium, please refer to our Premiums, Excesses, Discounts and Claim Payments Guide available at [aami.com.au](http://aami.com.au). A copy of this guide can be provided to you on request, at no charge, if you contact us on **13 22 44**.

## Other Important Information

### What happens with cancellations?

---

#### Cancellation by you

You may cancel your policy at any time. If you cancel your policy, you will be refunded the unexpired portion of the total premium, less any non-refundable government charges, and less our cancellation fee if applicable. See page 10 for details about our cancellation fee.

#### Cancellation by us

We can cancel your cover where the law allows us to do so. We will refund any money we owe you less any non-refundable government charges. If we cancel your policy due to fraud, we will not refund any money to you.

For more information about cancellation see 'Cancellation fee' on page 10 and 'Paying your premium' on page 10.

## What do we mean by that?

---

### Actions or movements of the sea

means:

- rises in the level of the ocean or sea;
- sea waves;
- high tides or king tides;
- any other actions or movements of the sea.

Actions or movements of the sea do not include a tsunami or storm surge.

### Building

see page 15.

### Business activity

means:

- is any activity specifically undertaken for the purposes of earning an income; **or**
- any activity registered as a business and which you are obliged by law to register for GST purposes.

### Common property

means land or areas at the insured address that both you and other people are entitled to use (e.g. common property in a multi-dwelling development).

### Contents

means household items used primarily for domestic purposes. Contents are items which are generally not permanently attached to the building.

### Family

see page 14.

### Flood

means the covering of normally dry land by water that has escaped or been released from the normal confines of:

- any lake, or any river, creek or other natural watercourse, whether or not altered or modified; **or**
- any reservoir, canal or dam.

See page 17.

### Good condition

means the building does not have any faults or defects, that might cause loss or damage to the building, loss or damage to property of others or injury to people. This includes but is not limited to the following:

- the roof does not leak when it rains;
- there are no areas of the roof that are rusted through;
- there is no wood rot, termite or white ant damage to the building;
- there are no holes in floors, walls, ceilings or any other parts of the building (e.g. external wall cladding, internal plaster, floorboards);
- there are no boarded up or broken windows;
- there are no steps, gutters, flooring, walls, ceilings or any other areas of the building that are loose, falling down, missing or rusted through;
- all previous damage including damage caused by flood has been repaired;
- the building is not infested with vermin;
- there are no trespassers (squatters) or unauthorised persons occupying the building.

### Incident

means a single event, accident or occurrence which you did not intend or expect to happen.

### Insured address

see page 14.

### Insured events

see page 17 to 25.

### Insurance schedule

means the latest insurance schedule we have given you. It is an important document as it shows the covers you have chosen and other policy details.

### Period of cover

means when this insurance cover starts to when it ends. It is shown on your insurance schedule.

## Policy

means your insurance contract. It consists of the latest PDS and any SPDS we have given you, and your latest insurance schedule and any receipt we may send you.

## Planned

means you intend to demolish the building, have lodged an application to do this, or a government authority has issued a demolition order for the building.

## Retaining wall

means a wall, which is not part of the building, that holds back or prevents the movement of earth.

## Storm

means a storm, cyclone or severe atmospheric disturbance. It can be accompanied by strong winds, rain, lightning, hail, snow or dust.

## Storm surge

means a rush of water onshore associated with a low pressure system and caused by strong winds pushing on the ocean's surface.

## Unoccupied and occupied

unoccupied means:

- the building is not furnished enough to be lived in; **or**
- no-one is eating, sleeping and living at the building; **or**
- the building is not connected to utilities.

occupied means:

- the building is furnished enough to be lived in; **and**
- someone is eating, sleeping and living at the building; **and**
- the building is connected to utilities.

furnished enough to be lived in means the building contains at least:

- a bed; **and**
- a clothes and linen storage area; **and**
- an eating table or bench; **and**
- a refrigerator and a cooking appliance.

## we, us, our and AAMI

means Australian Associated Motor Insurers Limited (ABN 92 004 791 744).

## You/Your

see page 14.

## How we will deal with a complaint

---

If you have a complaint about our products or services (even if through one of our service providers) or our complaints handling process, please let us know so that we can help.

You can contact us:

- By phone** 13 22 44
- In writing** PO Box 14180  
Melbourne City Mail Centre  
Victoria 8001
- By email** aami@aami.com.au

Please include the full details of your complaint and explain what you would like us to do.

When we receive your complaint, we will consider all the facts and attempt to resolve your complaint by the end of the next business day.

If we are not able to resolve the matter to your satisfaction, it will be referred to the relevant team leader or manager, who will review your complaint and contact you within **5** business days of us receiving your complaint.

If you remain dissatisfied the matter will be referred to our Internal Dispute Resolution (IDR) team. Our IDR team will review your complaint, and provide you with their final decision within **15** business days of your complaint being referred to them. The contact details for our IDR team are:

- By phone** 1300 240 437 (for the cost of a local call)
- By fax** 1300 316 047
- In writing** Internal Dispute Resolution  
AAMI  
PO Box 14180  
Melbourne City Mail Centre  
Victoria 8001
- By email** idr@aami.com.au

If we require additional information for our assessment or investigation of your complaint, we will agree with you a reasonable alternative timeframe to resolve your complaint.

If we are unable to resolve your complaint within **45** days, you may take your complaint to the Financial Ombudsman Service (the FOS), even if we are still considering it. The contact details for the FOS are set out below.

### What if you are not satisfied with our final IDR decision?

We expect our procedures will deal fairly and promptly with your complaint. However, if you remain dissatisfied, you may be able to access the services of the FOS. The FOS is an independent external dispute scheme and their service is free to you. Any decision the FOS makes is binding on us, provided you also accept the decision. You do not have to accept their decision and you have the option of seeking remedies elsewhere.

The FOS is available to customers who fall within their terms of reference. The FOS will advise if they can help you.

You can contact FOS:

- By phone** 1300 780 808 (for the cost of a local call)
- By Fax** (03) 9613 6399
- By email** info@fos.org.au
- In writing** Financial Ombudsman Service  
GPO Box 3  
Melbourne VIC 3001
- By visiting** www.fos.org.au

## Report insurance fraud

---

Insurance fraud is not a victimless crime. It imposes additional costs on honest policy holders and wastes the valuable resources of our community. This means it affects everyone.

We actively pursue fraudulent and inflated claims in order to keep your premiums as low as possible. Fraudulent claims will be investigated and may be reported to the police.

Help us fight insurance fraud by reporting:

- inflated vehicle or home repair bills;
- staged vehicle or home incidents;
- false or inflated vehicle or home claims;
- vehicle or home fires which may be intentionally started, including by someone known to you.

To report suspected insurance fraud call: **1300 881 725**. Let's work together to reduce the impact of insurance fraud on the community.

## General Insurance Code of Practice

---

We support and adhere to the General Insurance Code of Practice. You can get a copy of the code from the Insurance Council of Australia website ([insurancecouncil.com.au](http://insurancecouncil.com.au)) or by phoning **(02) 9253 5100**.

## Financial Claims Scheme

---

This policy may be a 'protected policy' under the Federal Government's Financial Claims Scheme (FCS) which is administered by the Australian Prudential Regulation Authority (APRA).

The FCS only applies in the extremely unlikely event of an insurer becoming insolvent and the Federal Treasurer making a declaration that the FCS will apply to that insurer.

The FCS entitles certain persons, who have valid claims connected with certain protected policies issued by that insurer to be paid certain amounts by APRA.

Information about the FCS can be obtained from APRA at [apra.gov.au](http://apra.gov.au) or by calling **1300 13 10 60**.

■ businessprintaustralia  
draft 18

**We're here to help you  
24 hours a day  
7 days a week**

**How to contact us**

by phone: **13 22 44**

via the internet: **[aami.com.au](http://aami.com.au)**

in writing: PO Box 14180,  
Melbourne City Mail Centre  
Victoria 8001

Customer Comment Line: 1300 360 361

Australian Associated Motor Insurers Limited  
AFS Licence Number 238173  
ABN 92 004 791 744 ©AAMI®

**AAMI**

