

AAMI FIRE AND THEFT CONTENTS INSURANCE

PREMIUMS, EXCESSES, DISCOUNTS AND CLAIM PAYMENTS GUIDE

Your guide to Premiums, Excesses, Discounts and Claim Payments

The Premiums, Excesses, Discounts and Claim Payments Guide (**PED Guide**) is designed to provide you with additional information about how we calculate premiums and determine excesses and discounts and pay claims under the policy. You should read this PED Guide together with our Fire and Theft Contents Insurance Product Disclosure Statement (**PDS**) dated 18/10/13.

This PED Guide is relevant to you if your policy has a commencement or renewal effective date on or after 1 September 2018.

About your premium

The premium is the amount you pay us for this insurance. It reflects what we consider is the likelihood of you making a claim, other factors related to our cost of doing business and any discounts we give you, as well as any applicable stamp duty, goods and services tax (GST), charge and levy. Your certificate of insurance will show you how much you have to pay.

When we calculate your premium there are a range of factors we take into account. The importance we place on the factors we use can change and how these factors combine to affect your premium will differ from person to person.

Each time you renew your insurance your premium is likely to change, even if your personal circumstances have not changed. This is because the premium you pay is also affected by other things including:

- The cost of claims we have paid to other customers and claims we expect to pay in the future;
- New and updated data we use to calculate your premium;
- Changes in government taxes and any state or territory duties or levies;
- Our expenses of doing business;
- Other commercial factors.

When determining your renewal premium, we also consider how much you paid previously. As such we may limit changes to your renewal premium.

The significant factor affecting your premium is the address of the building and/or unit.

Paying by instalments

Your premium will be higher if you choose to pay by instalments, rather than annually.

Premium discounts

Discounts are also a factor that can affect your premium. The premium you pay for your insurance includes any discounts we have given you. Any discounts are usually calculated and applied before the application of government taxes and charges.

The main discount we offer is the AAMI Association discount.

From time to time we might also offer discounts or some other special offer as part of a marketing campaign. If we do this, separate terms and conditions will usually apply. The amount and type of discounts that may be offered can change or be withdrawn.

If you are eligible for more than one discount, we usually apply any subsequent discount to the already discounted premium.

AAMI Association discount

We might reward you with a discount during the first year of your policy if you have other current policies with AAMI or if your spouse or partner is currently insured with AAMI and you let us know about this when you take out your policy.



Government taxes and charges

After we have calculated the amount to cover your contents insurance policy any applicable stamp duty, GST, charge and levy are then applied.

Your excesses

The excesses that apply to your policy are stated on your certificate of insurance. The different types of excesses are:

Standard excess

The excess that applies for a claim under contents is \$600 unless another amount is shown on your certificate of insurance.

Additional excess

In some circumstances, an additional excess may apply based on our assessment of the risk.

Unoccupied excess

The unoccupied excess is \$1,000.

Claim payments

The following examples are designed to illustrate how a claim payment might typically be calculated. The examples do not cover all scenarios or all benefits and do not form part of your policy terms and conditions. They are a guide only. AAMI always determines real claim payments on an individual basis, after we have assessed each claim. You should read the PDS and your certificate of insurance for full details of what we cover as well as what policy limits, excesses, conditions and exclusions apply.

Notes about these claim payment examples:

- when you make a claim we will choose whether to deduct the applicable excesses from the amount we pay you or direct you to pay the excesses to us or to the appointed repairer or supplier;
- all amounts are shown in Australian dollars and are GST inclusive;
- all examples assume that the policy holder is not registered for GST.

Example 1 – Total loss

Unfortunately there has been an electrical fault in your home causing it to catch fire and all of your contents are destroyed. Your contents will cost \$32,000 to replace. The \$600 standard excess applies.

How much we pay		Additional information
To replace your contents items	\$25,000	We are satisfied with the evidence you have provided us about the contents you have lost in the fire. We determine what contents we will cash settle and what contents we will replace through our suppliers. Although the replacement value of your contents is \$32,000, the most we will pay under this policy is \$25,000 (see page 14 of your PDS for full details).
Removal of debris	\$1,500	We will pay up to \$5,000 to dispose of your destroyed contents under the 'Removal of debris' additional feature. We pay \$1,500 to a contractor to remove the damaged contents.
less excess payable	\$600	
Total claim amount paid	\$25,900	

Example 2 – Partial loss – Theft

Your home is broken into and items to the value of \$10,000 in total have been stolen, which includes a watch valued at \$3,500. The \$600 standard excess applies.

How much we pay		Additional information
To replace your contents items	\$7,500	Although the actual cost to replace all your stolen contents is \$10,000, cover for your watch is limited to \$1,000 in total, so we pay \$1,000 for the watch plus \$6,500 for the other contents. We determine what contents we will cash settle and what contents we will replace through our suppliers.
Less excess payable	\$600	
Total claim amount paid	\$6,900	

Example 3 – Legal Liability cover

While riding a pushbike along the road, you accidentally ride into a parked car causing damage and scratches to the paintwork of the car. The cost to repair the damage to the car is \$2,000. We, or a Court of Law, decide you are liable for the damage caused to the car. The \$600 standard excess applies.

How much we pay		Additional information
Liability for repair costs to the car	\$2,000	This amount is paid to the owner of the damaged car, as we agree that you are liable.
Less excess payable	\$600	
Total claim amount paid	\$1,400	