

AAMI HOME BUILDING INSURANCE ADDITIONAL INFORMATION GUIDE

The Additional Information Guide (AIG) provides additional information about how we calculate premiums, our excesses, and worked dollar examples. You should read this AIG together with our Home Building Insurance Product Disclosure Statement (PDS) dated 04/10/2024.

This AIG is relevant to you if your policy or renewing policy start date is on or after 24 January 2025.

About your premium

The cost of your insurance is called the 'premium'. Your premium will depend on many factors. Your premium for each period of insurance will be shown on your certificate of insurance.

We'll calculate your premium based on:

- Your risk
- Any discounts applied
- Compulsory government charges such as stamp duty and GST
- Fire Services Levy, where applicable
- The AAMI Flexi-Premiums® excess you choose.

Your risk – we work this out using factors we consider important, including the address, occupancy type, the type of building you're insuring, the materials and characteristics of the building, claims history, how you pay your premium, age of oldest insured, the amount and type of cover you select, the policy options chosen and prior insurer.

This isn't a list of all our risk factors. We collect information in relation to risk factors from you and other sources. 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. We may add or remove factors. Your premium will cost less if you pay annually, rather than by instalments.

The premium you pay is also affected by other things including:

- The cost of claims we've paid to other customers and claims we expect to pay in the future
- Our expenses of doing business
- Other commercial factors.

When determining your renewal premium, we also consider your previous premium. As such we may limit movements up or down.

Premium discounts

Discounts are also a factor that can affect your premium. The premium you pay for your insurance includes any discounts we've given you. Discounts are applied before we add government taxes and charges. Optional covers 'AAMI Home Assist' and 'Excess-free Glass cover' aren't discounted. We determine eligibility for a discount on your renewing policy when we calculate your renewal offer.

From time to time we might also offer a discount or some other special offer as part of a marketing campaign. If we do this, separate terms and conditions may apply. We regularly offer a discount for buying a new policy online through our website.

The amount and type of discounts that may be offered can change or be withdrawn.

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

We reward you with a discount for combining the building and contents for the same address on the same policy with us.

Government taxes and charges

After we've calculated the amount to cover your building insurance policy any applicable GST, stamp duty, other government charges and any levies are then applied.

Your excesses

The amount and types of excesses that apply to your policy are stated on your certificate of insurance or in the PDS. The different types of excesses are:

AAMI Flexi-Premiums® excess

You can choose from a number of AAMI Flexi-Premiums® excess levels between \$200 and \$5,000. Some renewing policies may have an AAMI Flexi-Premiums® excess below this minimum (which you can choose to increase).

Additional excess

In some circumstances, we apply an additional excess to your policy based on our assessment of your risk.

Unoccupied excess

The unoccupied excess is \$1,000.

Claim settlement examples

The following examples are a guide only and are designed to illustrate how a claim payment might be calculated. The examples don't cover all scenarios or all benefits and don't form part of your policy terms and conditions. AAMI always determines real claim payments on an individual basis, after we've assessed each claim.

Notes about these claim payment examples:

- When you make a claim, we'll choose whether to deduct the applicable excesses from the amount we pay or direct you to pay the excesses to us. The excess amounts stated are examples only and may be different to your excess(es)
- All amounts are shown in Australian dollars and are GST inclusive
- All examples assume that the policyholder is not registered for GST.

Example 1 – Total loss when you have the Complete Replacement Cover® optional cover

Your city has been hit by a major cyclone and the building was one of the many destroyed during the event. You and your family move into temporary accommodation during rebuilding. In this example, a \$500 AAMI Flexi-Premiums® excess applies.

Your claim		Additional information
Cost to rebuild the building	\$600,000	A builder from our supplier network assesses the building as a total loss and the building needs to be rebuilt. Since you have Complete Replacement Cover® optional cover we cover loss or damage due to the cyclone up to the assessed quote from a member of our supplier network to rebuild the building on a 'new for old' basis. You elect to have your house rebuilt. We pay this amount directly to our builder and they commence work.
Emergency repairs and other repair/rebuilding costs	\$20,000	We pay the reasonable and necessary costs to remove building debris from your land under the additional cover 'Emergency repairs and other repair/rebuilding costs'. The debris damaged the building during the cyclone and it's necessary to remove the debris in order to rebuild the building. We pay this amount to our supplier undertaking this work.
Temporary accommodation	\$40,000	Under the 'Temporary accommodation' additional cover, you're covered for reasonable and necessary temporary accommodation costs up to 4 weeks in short term accommodation, and up to another 48 weeks in residential accommodation similar to the building. We'll either pay the costs directly to the accommodation supplier or reimburse you for these costs.
Less excess payable	-\$500	In this example, you pay this amount directly to us.
Total claim	\$659,500	

Example 2 – Total loss when you have a building sum insured

The building sum insured is \$350,000. Your city has been hit by a major cyclone and the building was one of many destroyed during the event. You and your family move into temporary accommodation during rebuilding. In this example, a \$500 AAMI Flexi-Premium excess applies.

Your claim		Additional information
The sum insured shown on your certificate of insurance	\$350,000	A member of our builder supplier network assesses the building as a total loss and the assessed quote to rebuild is \$400,000. However, as the building sum insured is \$350,000 you're paid this amount.
Emergency repairs and other repair/rebuilding costs	\$25,000	We pay up to 15% of the building sum insured to remove the building debris from your land under the additional cover 'Emergency repairs and other repair/rebuilding costs'. The debris damaged the building during the cyclone and it's necessary for the debris to be removed for the building to be rebuilt. In this instance the cost to remove the debris doesn't exceed 15% of the sum insured. We'll either pay these costs directly to our supplier or reimburse you for these costs. Note: If the amount we pay under 'Emergency repairs and other repair/rebuild costs' doesn't reach the limit available under this cover, and the building sum insured isn't sufficient to cover the scope of works, we'll pay any amount remaining under the limit of this additional cover for that scope of works.
Temporary accommodation	\$35,000	Under the 'Temporary accommodation' additional cover you're covered for reasonable and necessary temporary accommodation costs for up to 4 weeks in short term accommodation and for residential accommodation of a similar standard to the building and in a similar location, up to a maximum limit of 10% of the building sum insured. Cover for temporary accommodation is limited to 10% of the building sum insured. Your building sum insured is \$350,000 and 10% of this is \$35,000, which we pay. In this instance, any amount over \$35,000 is payable by you.
Less excess payable	-\$500	In this example, we deduct this amount from what we pay you for your claim.
Total claim	\$409,500	

Example 3 – Partial loss when you have Complete Replacement Cover® optional cover

A severe storm with gusty winds results in a tree falling onto your roof and damaging it significantly. The building can't be lived in because electricity can't be connected until repairs are completed and you and your family move into temporary accommodation. The location of the temporary accommodation means you'll incur extra travel costs to get to work. You have Complete Replacement Cover™. In this example, a \$300 AAMI Flexi-Premiums® applies.

Your claim		Additional information
Cost to repair your roof	\$89,000	We cover the assessed quote from a member of our supplier network to repair the roof on a 'new for old' basis. You elect to commence repairs. We pay \$89,000 direct to the builder for the repairs to the roof.
Temporary accommodation	\$2,000	Under the 'Temporary accommodation' additional cover, you're covered for reasonable and necessary temporary accommodation costs up to 4 weeks in short term accommodation and for residential accommodation of a similar standard to the building and in a similar location, up to a maximum limit of 10% of the building sum insured. You spend 4 weeks in short term accommodation at the cost of \$500 per week, totaling \$2,000. We'll either pay the costs you incur direct to the accommodation supplier or reimburse you for these costs.
Extra travel costs	\$Nil	You aren't covered for the extra travel costs.
Less excess payable	-\$300	In this example, you pay this amount directly to us.
Total claim	\$90,700	

Example 4 – Partial loss – Optional cover Accidental damage at home

You have the optional cover 'Accidental damage at home'. You accidentally drop a heavy piece of cookware on your stone bench top causing a crack through the width of the benchtop in your kitchen island. In this example, you have a \$500 AAMI Flexi-Premiums® excess and a \$500 additional excess due to your claims history.

Your claim		Additional information
Cost to replace benchtop	\$2,500	We cover the assessed quote from a member of our supplier network to replace your cracked benchtop. A repair was not possible in this case. We pay this amount to our supplier.
Less excess payable	-\$1,000	In this example, you pay both excesses directly to us.
Total claim	\$1,500	

Example 5 – Partial loss – Accidental breakage of glass

You're having a shower and accidentally slip and fall resulting in a broken glass shower screen and the glass shatters leaving glass pieces in your carpet. You have the Excess-free Glass cover option shown on your certificate of insurance.

Your claim		Additional information
Cost to replace shower screen glass	\$700	We cover the assessed quote from a member of our supplier network to replace the shower screen glass. We pay our supplier directly.
Cost of cleaning up the glass	\$Nil	We don't cover the cost of cleaning up the broken glass.
Less excess payable	\$Nil	As you have the Excess-free Glass cover option shown on your certificate of insurance no excess is payable.
Total claim	\$700	

Example 6 – Legal liability cover

During a dinner party at your home one of your guests was walking down the stairs and the area was dimly lit causing your guest to slip down the stairs and injure their ankle and lower back. Your guest has made a claim against you, and you're found to be legally liable for the injury. In this example, a \$400 AAMI Flexi-Premiums® excess applies.

How much we pay		Additional information
Total amount of liability	\$14,800	Under 'Legal liability' we pay the person who claimed against you.
Legal fees	\$5,000	Lawyers' fees to defend you, negotiate and settle the claim are \$5,000. We pay fees of \$5,000 to the law firm.
Less excess payable	-\$400	In this example, you pay this amount directly to us.
Total claim	\$19,400	

Example 7 – Partial loss – Fire Damage

While you were cooking dinner in the building you own, the phone rang, and you didn't notice the cooking oil caught on fire. When the fire was extinguished, there was damage to the stove, kitchen wall behind the stove, and the bench top to the right of the stove. In this example, a \$700 excess applies.

Your claim		Additional information
Cost to replace stove and kitchen wall	\$3,000	We cover the assessed quote from a member of our supplier network to replace the stove and kitchen wall. We pay the supplier direct.
Amount to replace damaged bench top	\$2,000	<p>Due to the age of the kitchen, the damaged bench top on the right of the stove couldn't be replaced with new laminate that matches the undamaged bench top to the left of the stove. We've offered to repair using laminate of a similar type and standard, however, you aren't satisfied with the laminate we have found.</p> <p>We'll only pay extra to match the damaged parts to undamaged parts in certain limited circumstances. In this example, the damaged bench top isn't continuously joined to the undamaged bench top so we won't pay extra to repair the undamaged bench top. We pay you the assessed quote from a member of our supplier network to repair the damaged bench top.</p>
Less excess payable	-\$700	In this example, this amount is deducted from the amount we pay you for the claim.
Total claim	\$4,300	

Financial Claims Scheme

In the unlikely event of an insurer becoming insolvent, a person entitled to claim under protected policies may be entitled to payment under the Financial Claims Scheme (FCS). Access to the scheme is subject to eligibility criteria.

Information about the FCS can be obtained from the APRA website at www.fcs.gov.au.