

Home Building Insurance

Supplementary Product Disclosure Statement

This is a Supplementary Product Disclosure Statement (SPDS) issued by AAI Limited ABN 48 005 297 807 AFSL No. 230859, trading as AAMI.

This SPDS supplements the AAMI Home Building Insurance Product Disclosure Statement (PDS), prepared on 1 October 2013, and must be read together with any other SPDS we may give you for this PDS.

The purpose of this SPDS is to:

- introduce 3 optional covers:
 - ‘Accidental damage at the home’;
 - ‘Excess-free Glass cover’; and
 - ‘AAMI Home Assist’;
- update the ‘What is an excess?’ section;
- provide clarity on how we settle building claims;
- include an explanation of monetary settlements and the meaning of cost to us;
- update the definition of ‘insured event’;
- include a definition for ‘reasonable cost’;
- update the information for seeking an external review of a complaint due to a change to the relevant external dispute complaint scheme; and
- update the contact details on the back cover of the PDS.

Changes to the PDS

1. On page 21 of the PDS in the ‘We cover’ section of the insured event ‘Accidental breakage of glass’ and after the paragraph under the heading ‘Replacing glass’ insert the following new heading and words:

Excess-free Glass cover

If you have selected the optional cover ‘Excess-free Glass cover’ and this is shown on your certificate of insurance, you may not have to pay an excess for a claim, depending on the item which has been damaged.

See the optional cover ‘Excess-free Glass cover’ under item 3 below for details.

2. On page 31 of the PDS immediately before the title ‘Optional Complete Replacement Cover’ insert the following new heading and words:

Optional Covers

You can ask us to add one or more of the following options to your policy for an additional premium. Your optional covers will be shown on your certificate of insurance.

There are some things we do not cover and this is shown in the ‘We do not cover’ section of the following tables in this section (Optional covers) and in the ‘What we do not cover – general exclusions’ on pages 35 to 40. All of the conditions of this policy apply to the optional covers unless the cover says otherwise.

3. On page 32 of the PDS immediately before the title ‘Legal Liability’ insert the following new headings and words for three new optional covers:

Optional Accidental damage at the home

What we cover

When you have home building insurance, we cover your home for accidental loss and accidental damage (e.g. breaking or damaging something) at the insured address during the period of insurance.

Accidental loss or damage is loss or damage from an incident you did not intend or expect to happen, for example, cracking a stone bench top due to accidentally dropping something on it.

Note: If we accept a claim under this optional cover, the incident giving rise to the claim is an insured event. This means that you may be entitled to additional features (see pages 26 to 28).

We do not cover

- loss or damage that is covered under an insured event listed on pages 16 to 25, as you can make a claim for loss or damage under the applicable insured event;
- loss or damage that is covered under an additional cover listed on pages 29 to 30;
- loss or damage without you being able to reasonably establish an incident covered by your policy took place at a certain time and date;
- loss or damage caused by flood if you do not have cover for insured event 'Flood'.
- loss or damage:
 - to retaining walls, sea walls, garden borders and free standing outdoor walls, sporting surfaces or courts;
 - to boat jetties, pontoons, mooring poles and their attachments and accessories;
 - to swimming pool liners or covers;
 - to gates, fences or wall fences that were in a state of disrepair which would have been obvious to a reasonable person before the loss or damage occurred;
 - arising from scorching or burning cigars, cigarettes or pipes;
 - arising from pollution or vapour from a home heater or cooking appliance;
 - to driveways, paths, paving or underground services caused by road vehicles, cranes or earthmoving equipment;
 - caused by wear, tear, rust, fading, rising damp, mould, mildew, corrosion and rot;
 - arising from insects, vermin or rodents;
 - caused by physical assaults or death;
 - by tenants or boarders;
 - arising from failure or shutdown of the electricity supply from any cause or spoilage of food resulting from this;
 - arising from leaks from agricultural pipes;
 - arising from animals or birds pecking, biting, clawing, scratching, tearing or chewing your home, or damage caused by their urine or excrement;
 - arising from building, renovating or altering your home (**except** for spilling paint);

- the cost of cleaning mud or clearing debris out of tanks, swimming pools or spas, including replacing or storing the water;
- cracking of paths, driveways and outdoor surfaces;
- shower bases (tiled or otherwise), including loss or damage from leaking;
- the cost to modify any part of your home to fit replacement cooking or heating appliances if the dimensions differ;
- wear and tear, or loss or damage, by the escape of liquid occurring as a result of a gradual process of leaking, splashing, dripping or overflowing over a period of time;
- the cost of repairing or replacing tanks or containers that burst or leak, such as a hot water tank bursting or leaking.

Optional Excess-free Glass cover

For an additional premium you may be able to add 'Excess-free Glass cover' to your home insurance policy. If we agree, the option will be shown on your certificate. This optional cover will apply in addition to cover for 'Accidental breakage of glass' which is included with your home building insurance.

What we cover

When your claim is only for accidental breakage of the following during the period of insurance:

- fixed glass in windows, doors, skylights, shower screens;
- mirrors fixed to your home; or
- other fixed glass (including glass tint if fitted);

we cover the cost to replace that glass without you having to pay an excess.

Replacing glass

We will also cover the cost to repair or replace the frame of any window, door or shower screen, but only if this is necessary to enable the glass to be replaced.

We do not cover

- sinks, basins, baths or shower-bath combinations, cisterns and toilets;
- any glass that forms part of a:
 - fixed cooking or heating appliance;
 - cook top or cooking surface;
 - fixed light fitting in your home; or
 - solar panel;
- any loss or damage caused by the broken item including the cost of cleaning;
- any accidental breakage of glass in or of a contents item;
- glass in a glasshouse, greenhouse or conservatory;
- ceramic tiles;
- shower bases (tiled or otherwise);
- the cost to remove broken glass from carpets or other parts of your home;
- any loss or damage if the breakage does not extend through the entire thickness of the damaged item (e.g. chips or scratches).

Note:

Under the Insured event 'Accidental breakage of glass' and the optional cover 'Accidental damage at the home' (if you have selected this option and it is shown on your certificate of insurance), there may be cover for some items that are not covered under this option.

Optional AAMI Home Assist

For an additional premium you may be able to add 'AAMI Home Assist' to your home building insurance policy if AAMI Home Assist is available at your insured address. If we agree, the option will be shown on your certificate.

AAMI Home Assist is an emergency assistance service that provides you with selected trade services in the event of a home emergency. It is not a general maintenance or preventative service (for example, it does not cover painting, replacing light bulbs or tap washers) or a disaster response service.

AAMI Home Assist is provided in accordance with the AAMI Home Assist Terms and Conditions (AAMI HA Terms). Please read the AAMI HA Terms for the terms, conditions, limitations and exclusions that apply to this optional cover. The AAMI HA Terms are available at aami.com.au and are provided to you on purchase of the cover (unless already provided). Please call us to request a free copy.

After purchase, a waiting period applies which is set out in the AAMI HA Terms.

What is a home emergency?

A home emergency is a sudden and unforeseen incident that occurs to your home (but not your contents) that requires the urgent attention of one of the following:

- Plumber
- Electrician
- Locksmith
- Carpenter

A maximum call-out period applies in addition to a limit on parts and materials. Please read the AAMI HA Terms for the terms, conditions, limits and exclusions.

Maximum benefits

The AAMI HA Terms explain the maximum number of Emergency Call-outs, the maximum Emergency Call-out period and other limits (such as excluded parts and materials) that apply if this optional cover is purchased. AAMI Home Assist only covers home emergencies within the boundaries of the insured address.

Cancellation

This option cannot be removed from the policy during the period of insurance, unless you move to an area where AAMI Home Assist is unavailable.

Making a claim for Home Assist

The wording in the section 'Claims' on pages 41 to 51 of the PDS does not apply to the AAMI Home Assist option. Please refer to the AAMI HA Terms for how to claim.

No excess applies for a claim on AAMI Home Assist.

General exclusions

The general exclusions listed on pages 35 to 40 of the PDS do not apply to AAMI Home Assist.

4. On page 44 of the PDS under the heading 'What is an excess?' Remove the sentence 'An excess is the amount you have to pay for each incident when you make a claim.' and replace with 'An excess is the amount you have to pay for each incident when you make a claim, **unless** stated otherwise in this policy.'
5. On page 45 of the PDS in the section titled 'How we settle building claims' immediately above the paragraph 'Unless we tell you otherwise, we will deduct any amounts you owe us from any amount we owe you.' insert the following new paragraph:

If we rebuild or repair, we choose the builder or supplier.

6. On page 45 of the PDS immediately above the heading 'We will not:' insert the following:

Monetary settlements and the meaning of cost to us

If we decide to pay you what it would cost us to rebuild or repair (or if we give you a voucher, store credit or stored value card for what it would cost us), we will pay you (or give you a voucher, store credit or stored value card for) the amount that we determine to be the reasonable cost of repairing or rebuilding. The amount we determine to be the reasonable cost will be the lesser amount of any quotes obtained by us and/or by you for the rebuild or repair. Discounts may be available to us if we were to rebuild or repair.

7. On page 54 of the PDS, in the section titled 'What do we mean by that?', remove the definition of 'Insured event' and replace with the following:

Insured event

means:

- the insured events on pages 16 to 25; and
- if you have the optional cover 'Accidental damage at the home', it also means accidental loss or damage to your home that is not excluded by your policy.

In addition, an insured event is always a single event, accident or occurrence which you did not intend or expect to happen.

8. On page 54 of the PDS in the section titled 'What do we mean by that?' immediately below the meaning of 'Policy' insert the following:

Reasonable cost

means the amount we determine. Reasonable cost is the lesser amount of any quotes obtained by us and/or by you. Discounts may be available to us through our suppliers.

9. On page 56 of the PDS, under the section titled 'How we will deal with a complaint', replace the wording under 'Step 3. Seek review by an external service' with the following new wording:

'Step 3. Seek review by an external service

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 Australian Financial Complaints Authority (AFCA). AFCA provides fair and independent financial services complaint resolution that is free to consumers. Any decision AFCA 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.

AFCA has authority to hear certain complaints. Contact AFCA to confirm if they can assist you.

You can contact AFCA:

By phone: 1800 931 678

By email: info@afca.org.au

In writing: Australian Financial Complaints Authority, GPO Box 3, Melbourne VIC 3001

By visiting: www.afca.org.au'

10. On the back cover of the PDS insert 'Contact us about a claim' before the words '24 hours a day'.

Questions?

If you have questions about this change, please visit our website aami.com.au or contact us on 13 22 44.

