

AAMI HOME CONTENTS INSURANCE

ADDITIONAL INFORMATION GUIDE

The Additional Information Guide (AIG) provides you with additional information about how we calculate premiums, our excesses, and worked dollar examples. You should read this AIG together with our Home Contents 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 property where your contents are kept, the materials and characteristics of the home/unit, 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 cover 'Extra Cover Portable valuables' isn'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 discounts 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 contents 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.

Extra Cover excess

The extra cover excess is \$100.

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 isn't registered for GST.

Example 1 – Total loss

You own and live in a unit. Your contents sum insured is \$100,000 and includes specified contents of \$8,000, which consists of 2 paintings listed at \$4,000 each. You have a necklace that wasn't listed as a specified contents item on your policy which is valued at \$3,000.

Unfortunately, there's been an electrical fault in one of your appliances causing the unit to catch fire and all of your contents are destroyed. In this instance your unit has also been destroyed by the fire and your family move into temporary accommodation. In this example, a \$500 AAMI Flexi-Premiums® excess applies.

Your claim		Additional information
General contents Jewellery Specified paintings	\$90,000	<p>For contents other than the necklace and paintings, you provide the proof we ask for to establish your loss including details of when and where your contents were purchased, photographs, and a full description of the items lost. We obtain the quoted cost to replace your contents from our supplier network. As the quoted cost to replace your contents (\$80,000) is less than your contents sum insured, we offer to replace most contents on a 'new for old' basis and you accept our offer, and for the rest we pay you cash. Our supplier network commences replacement of your contents items.</p> <p>For the necklace, you're able to provide us proof of purchase (for example, a sales receipt), a professional valuation by a qualified jeweller, and photographs of your necklace. As the \$3,000 necklace lost in the fire wasn't a specified contents item, cover is limited to \$2,000. We pay this amount directly to you.</p> <p>For the paintings you're able to provide us a sales receipt (that includes a description of the item, a purchase price, and the date of purchase), some photos of the lost paintings, and a valuation certificate by a professional valuer. A member of our supplier network determines that the paintings can't be replaced 'new for old' and that their value immediately before the loss or damage exceeds \$8,000. We pay you the specified contents item sum insured for the paintings (\$8,000).</p>
Removal of debris	\$1,500	We'll pay up to 10% of the contents sum insured under the 'Removal of debris' additional cover. In this instance it costs \$1,500 to remove the damaged contents and we pay our supplier this amount.
Temporary accommodation	\$10,000	Under the 'Temporary accommodation for tenants or strata title owners' additional cover, you're covered for reasonable temporary accommodation costs up to 10% of the contents sum insured. Your temporary accommodation costs total \$12,500. We pay you \$10,000 as you can only claim up to 10% of the contents sum insured.
Less excess payable	-\$500	In this example, you pay the excess directly to us.
Total claim	\$101,000	

Example 2 – Optional cover – Extra Cover Portable valuables - unspecified items

You have \$3,000 Extra Cover Portable valuables – unspecified items optional cover and this is shown on your certificate of insurance. While bushwalking you accidentally dropped your camera and it's damaged. In this example, you have an Extra Cover excess of \$100.

Your claim		Additional information
Cost to replace your camera	\$1,000	A member of our supplier network determines that the quoted cost to repair your camera is more than the cost of replacing the camera. They determine the cost to repair your camera on a 'new for old' basis is \$1,200. Although the quoted cost to replace your camera is \$1,200, the most you can claim under Extra Cover Portable valuables – unspecified items cover for any one item is \$1,000. We pay this amount to you.
Less excess payable	-\$100	In this example, we deduct the excess from the amount to replace your camera and pay you \$900.
Total claim	\$900	

Example 3 – Optional cover – Extra Cover Portable valuable - specified items

You've insured your engagement ring for \$6,000 under Extra Cover Portable valuable – specified items and this is shown on your certificate of insurance. While you were swimming at your local beach your ring slipped off your finger and you're unable to find it. In this example, a \$100 Extra Cover excess applies.

Your claim		Additional information
Cost to replace your ring	\$5,000	You're able to provide us photos of your ring, proof of purchase (for example, a sales receipt) and a professional valuation certificate from a qualified jeweller. A member of our supplier network determines that the quoted cost to replace your ring with one of the same standard and specification is \$5,000. We replace your lost ring within your sum insured.
Less excess payable	-\$100	In this example, you pay the excess directly to us.
Total claim	\$4,900	

Example 4 – Additional covers – Spoiled frozen food and Motor burnout

Your 5 year old fridge/freezer has broken down and the repairer's report confirms that the motor has burnt out. You have \$220 of spoiled food that requires throwing out. The fridge/freezer has a smell of rotten food which can't be removed. In this example, an AAMI Flexi-Premiums® excess of \$200 applies.

Your claim		Additional information
Cost of food	\$220	We'll pay the food spoilage portion of your claim to you.
Cost to replace the motor	\$400	We cover the cost to either replace or repair the motor only in the fridge/freezer up to the age of 7 years under additional cover Motor burnout. A member of our supplier network determines that the quoted cost to repair the motor is more than the cost of replacement. We cover the cost from a member of our supplier network to replace the motor with one of the same specification and standard available at the time of the loss or damage. We pay the repairer direct. The defrosted frozen food juices have leaked into the fridge/freezer liner which will need to be replaced. However, loss or damage to the fridge or freezer caused by spoiled food isn't covered under the Motor burnout additional cover. In addition, consequential losses (such as the cost of cleaning the rotten food smell) are also specifically excluded under your policy.
Less excess payable	-\$200	No excess applies to a claim made under additional cover 'Food and medication spoilage', but the AAMI Flexi-Premiums® excess applies to the claim under the 'Motor burnout' additional cover. In this example, you pay the excess directly to us.
Total claim	\$420	

Example 5 – Legal liability cover

While riding a pushbike along the road, your son who lives with you, accidentally rode into a parked car owned by a third party unknown to you, causing damage and scratches to the paintwork of the car. It's determined that your son is legally liable. The cost to repair the damage to the car is \$2,000. In this example, an AAMI Flexi-Premiums® excess of \$400 applies.

Your claim		Additional information
Repair cost to the car	\$2,000	We pay this amount to the owner of the damaged car.
Less excess payable	-\$400	In this example, you pay the excess directly to us.
Total claim	\$1,600	

Example 6 – Partial loss – Fire damage

One evening at home, a candle is accidentally knocked onto a single lounge chair which catches fire. When the fire was extinguished, the chair was damaged beyond repair, but the remaining pieces of the lounge suite were undamaged. The chair can't be replaced to match the other pieces of the suite. In this example, an AAMI Flexi-Premiums® excess of \$400 applies.

Your claim		Additional information
Cost to replace the fire-damaged chair	\$1,000	You provide a written quote for the replacement cost of a single chair being \$1,000. While the amount to replace the entire lounge suite is \$3,000, we only repair or replace contents that are damaged. We pay \$1,000 to you.
Less excess payable	-\$400	In this example, you pay the excess directly to us.
Total claim	\$600	

Example 7 – Optional cover – Accidental damage to contents

You have the Accidental damage at home optional cover, and this is shown on your certificate of insurance. You've insured your contents for \$150,000. A new entertainment unit for your television is delivered to your house. When carrying your television across the lounge room, you stumble, and it's accidentally dropped. Unfortunately, it no longer works. In this example, a \$500 AAMI Flexi-Premiums® excess applies.

Your claim		Additional information
Cost to replace television	\$4,500	A member of our supplier network determines that the quoted cost to replace your television is \$4,500. You accept our offer to replace it, and we organise with our supplier to source a replacement for you.
Less excess payable	-\$500	In this example, you pay the excess directly to us.
Total claim	\$4,000	

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.