

# AAMI STRATA INSURANCE ADDITIONAL INFORMATION GUIDE

The Additional Information Guide (AIG) provides information about how we calculate premiums, our excesses and worked dollar claims examples. You should read this AIG together with our Strata Insurance Product Disclosure Statement (PDS) dated 15/10/2024.

**This AIG is relevant to you if your policy or renewing policy start date is on or after 24/01/2025.**

## About your premium

The amount you pay for this insurance is called the premium. Your premium includes any applicable GST, stamp duty, other government charges and any levies that apply. The premium will be shown on your certificate of insurance as the 'Total Amount Payable' or, if you pay by monthly instalments, as 'Instalment amount'.

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 depending on the strata building (including common property) and common contents (if applicable) to be insured and 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 sums insured;
- 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 movements up or down.

Significant factors affecting your premium include a combination of some or all of the following:

Factor
Address of the insured building
How the strata building is occupied
Sum insured
Construction material and other characteristics of the strata building
Your AAMI Flexi-Premiums® excess
Type of insurance you have chosen (Strata Building or Strata Building and Common Contents)

## Paying by instalments

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

## Government taxes and charges

After we have calculated the amount to cover your strata 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 \$1,000 and \$7,500. You can choose a different AAMI Flexi Premiums® excess for the strata building and the common contents.

### Additional excess

An additional excess may apply due to reasons such as claims history, location and building type. The amount of any additional excess will be stated on your certificate of insurance.

## Water damage excess

The water damage excess is \$200.

## Theft or burglary by lot occupiers or their guests excess

An excess of \$500 will apply in addition to any other excesses that apply for any claim under 'Theft or burglary by lot occupiers or their guests'.

## Malicious acts or vandalism by lot occupiers or their guests excess

An excess of \$500 will apply in addition to any other excesses that apply for any claim under 'Malicious acts or vandalism by lot occupiers or their guests'.

## Unoccupied excess

The unoccupied excess is \$1,000.

## Claim payments

The following examples are a guide only and are designed to illustrate how a claim payment might typically 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 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'll choose whether to deduct the applicable excesses from the amount we pay you or direct you to pay the excesses to us
- 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 – Strata Building claim

The building has a sum insured of \$950,000. There is a fire that starts from a heater in one of the units. The fire destroys the building and we assess that it is a total loss. In this example, an AAMI Flexi-Premiums® excess of \$1,000 applies.

Your claim		Additional information
Building costs	\$900,000	A builder from our supplier network assesses the building as a total loss. We cover loss or damage due to the fire up to the sum insured. As the assessed quote for a member of our supplier network to rebuild the building on a 'new for old' basis is below your sum insured we offer you the option to have your building rebuilt. You accept this offer and we pay this amount direct to our builder.
Emergency repairs and other repair or rebuilding costs	\$40,000	Before rebuilding commences it costs \$40,000 to demolish and remove the damaged structure. We pay \$40,000 directly to the builder. The most we will pay is the difference between any amount already paid to return the property to pre-loss condition and the total of the Strata Building Sum Insured.
Temporary accommodation for lot owners	\$ 95,000	We pay the lot owner's temporary accommodation costs for the time it will take to repair or rebuild their unit so that it can be lived in again. In this example, the maximum limit of \$95,000 (10% of the building sum insured) is reached before the 52 week limit is reached. We pay this amount to the lot owners.
Architect's fee	\$10,000	It is necessary to engage an architect to design your replacement building (this is necessary even though you don't intend to change the design of the building or upgrade it). Under the additional cover 'Emergency repair and other repair or rebuilding costs' we will pay up to the sum insured for the building less any amount we have already agreed to pay for accidental loss or damage under any other part of your policy for the same incident. We have already agreed to pay \$900,000 to rebuild the building. There is still \$50,000 of the sum insured available to cover other costs involved with rebuilding. The architect's fees are \$10,000 and we pay this directly to the architect.
Claim so far	\$1,045,000	
AAMI Flexi- Premiums® excess payable	-\$1,000	In this example, you pay this amount directly to us.
<b>Total claim</b>	<b>\$1,044,000</b>	

## Example 2 – Partial loss – Building claim

The building has a sum insured of \$800,000. A leaking pipe in the building causes water damage in one of the units. While inspecting the damage at the building our supplier also notices there are some water stains in parts of the ceiling at the same unit (unrelated to the leaking pipe). In this example, an AAMI Flexi-Premiums® excess of \$1,000 and water damage excess of \$200 applies.

Your claim		Additional information
Cost of repairs to the unit caused by the leaking pipe	\$8,000	A member of our supplier network inspects the damage from the leaking pipe. The assessed quote for our supplier to complete the repair is \$4,000. You accept our offer to repair the damage. We pay these costs to the builder. You pay the cost to fix the leaking pipe.
Ceiling damage	Nil	Your roof is then inspected by our builder and it is severely rusted in parts. Our builder determines that the damage to the ceiling was caused by your roof not being in good condition and the damage to the ceiling and the roof is not covered. You undertake the necessary repairs to your ceiling and arrange the replacement of the roof yourself.
Claim so far	\$8,000	
AAMI Flexi- Premiums® excess payable	-\$1,000	In this example, you pay this amount directly to us.
Water damage excess	-\$200	In this example, you pay this amount directly to us.
<b>Total claim</b>	<b>\$6,800</b>	

## Example 3 – Voluntary workers cover

You have authorised one of the unit owners to complete some gardening work at the insured address. While gardening, the unit owner slips and seriously injures his back. The injury has resulted in a total disability and they are unable to return back to work to carry out their usual occupation. The unit owner's gross weekly wage is \$2,100. In this example, an AAMI Flexi- Premiums® of \$1,000 applies.

Your claim		Additional information
Total amount of claim	\$208,000	The injury has resulted in a total disability to the injured owner and they are unable to return back to work to carry out their usual occupation. The unit owner's gross weekly wage is \$2,100. We pay the owner \$208,000 which is the most we pay under this additional cover for each incident. This is because the most we will pay is \$2,000 per week for a duration of 104 weeks.
AAMI Flexi- Premiums® excess payable	-\$1,000	In this example, you pay this amount directly to us.
<b>Total claim</b>	<b>\$207,000</b>	

## Example 4 – Legal Liability

A visitor to a unit in the building was descending down stairs within the common area of the unit complex. The visitor tripped over loose carpeting on the stairs causing them to fall heavily. In this example, an AAMI Flexi-Premiums® of \$1,000 applies.

Your claim		Additional information
Total amount of claim	\$14,800	The visitor has made a claim for compensation for the amount of \$14,800. After an investigation, it is determined that you are liable for the injury and the amount claimed is reasonable. We pay this amount to the injured party.
AAMI Flexi- Premiums® excess payable	-\$1,000	In this example, you pay this amount directly to us.
<b>Total claim</b>	<b>\$13,800</b>	

## 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](http://www.fcs.gov.au).