



HOME BUILDING INSURANCE

Product Disclosure Statement



AAMI



Peace of mind with AAMI

AAMI Home Building Insurance offers the Complete Replacement Cover® option

AAMI Home Building Insurance with the Complete Replacement Cover® option covers insured damage or loss to your home building for the total amount it would cost to us repair or rebuild it. When you have selected the Complete Replacement Cover® option, we repair or rebuild insured damage or loss to your home or pay the cost of repairing or rebuilding to the same size and standard of your current home. Some exclusions apply. Please read this Product Disclosure Statement for full details.

Our Complete Replacement Cover® option is your best protection against underinsurance.

AAMI Home Building Insurance offers cover for insured event 'Flood'

In addition to the other 13 insured events, AAMI Home Building Insurance can repair or rebuild damage to the building caused by flooding. Flood cover is automatically included unless you have removed flood cover from your policy. See page 16 for more details about this cover.

AAMI Home Building Insurance offers guaranteed repair quality

The quality of workmanship and the materials used in any repair or rebuilding of your home that we arrange and authorise will be guaranteed for the life of the home.

AAMI Flexi-Premiums®

With AAMI Flexi-Premiums®, the higher the excess you choose, the lower your premium will be. You need to consider your ability to pay the excess amount in the event of a claim.

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Introduction

Welcome to AAMI Home Building Insurance

Why is this document important?

This Product Disclosure Statement (PDS) is an important legal document that contains details of your AAMI Home Building Insurance if you purchase this product from us. Before you decide to buy this product from us, please read this PDS carefully. If you purchase this product, your policy comprises of this PDS and your certificate of insurance which shows the details particular to you.

The information in this PDS was current at the date of preparation. We may update some of the information in the PDS that is not materially adverse from time to time without needing to notify you. You can obtain a copy of any updated information by contacting us. We will give you a free paper copy of any updates if you request them.

In some circumstances the terms and conditions of this PDS may be amended by a Supplementary PDS (SPDS).

PED Guide

Throughout this PDS you will be referred to a guide called: Premiums, Excesses, Discounts and Claim Payments Guide, indicated as 'Refer to the PED Guide for further information'. This guide will provide you with further information and is available at aami.com.au. You can also obtain a copy of this guide on request, at no charge, if you contact us.

Communicating with you

We may agree to send your policy documents and policy related communications electronically. This will be by email and/or other types of electronic communication methods. Policy documents and policy communications will be provided to you in this way until you tell us otherwise or we tell you it is no longer suitable. If we agree to communicate with you electronically, you will need to provide us with your current email address and your mobile phone number.

Each electronic communication will be deemed to be received by you at the time it leaves our information system.

Our commitment to you

When you are an AAMI policyholder and you need to claim on your policy, our claims service will be there to take your call.

Cooling off period

After this insurance begins or you renew your policy for another period of insurance, you have **21** days to consider the information in your PDS. This is called the 'cooling off period'. If you wish, and provided you have not made a claim, you can exercise your cooling off rights within **21** days from the day cover began or was renewed. When you exercise your cooling off rights, we will refund in full the money you have paid for that period of insurance but you will have no cover from when your policy would have otherwise begun or from your renewal date.

Alternatively, you can cancel your policy at any time during the period of insurance. When you do this, and unless we tell you otherwise, you will have cover up until the date of cancellation. For more information see 'Cancellation by you' on page 52.

Who is this product designed for?

This insurance product is specially designed to cover the buildings that you own and live in. This product does not cover the contents of any building.

Your duty of disclosure

You have a duty of disclosure to tell us everything you know, or could reasonably be expected to know, is relevant to our decision to insure anyone under the policy, including you, and on what terms.

It includes matters we specifically ask about when you apply for a policy, or renew or alter your policy, and any other matters which might affect whether we insure you and on what terms.

The information you tell us can affect:

- the amount of your premium;
- if we will insure you;
- if special conditions will apply to your policy.

You do not need to tell us of anything which:

- reduces the chances of you making a claim; **or**
- we should know about because of the business we are in; **or**
- we tell you we do not want to know.

If you are unsure it is better to tell us. If you do not tell us something which you know or should know is relevant, we might reduce a claim, refuse to pay a claim, cancel your policy or, if fraud is involved we can treat the policy as if it never existed.

Exclusion for new policies

We do not insure you for bushfire, storm, flood or tsunami in the first **72** hours of your policy. Very limited exceptions apply. For full details see 'What we do not cover – general exclusions' on pages 35 to 40.

Joint policyholders

When you insure the building in the names of more than one person, each person is a joint policyholder and is able to make changes that we agree with to the policy. We will treat a statement, act, omission, claim, request or direction (including to alter or cancel your policy) made by one as a statement, act, omission, claim, request or direction by all those named as insured on your certificate of insurance.

Some words in your policy have special meanings

Some words when used in this PDS have special meanings. Most of the words with special meanings are defined in the 'What do we mean by that?' section on pages 53 to 55.

Summary of Insured Events

This summary lists the insured events that we cover with an example of what we do not cover in relation to that insured event. This is a summary only and there are other things we do not cover. For full details of what we cover and do not cover you for, read your certificate of insurance and the full PDS carefully, including pages 16 to 25 and 'What we do not cover - general exclusions' on pages 35 to 40 of the PDS.

Flood

But we do not cover loss or damage to retaining walls, sea walls, garden borders and free standing outdoor walls.

Important Note: We do not cover flood if you have asked to remove this insured event from your policy (and we have agreed). Your certificate of insurance will show that you do not have flood cover.

More details page 16

Lightning

But we do not cover loss or damage caused by power failures or surges by your power provider.

More details page 19

Earthquake

But we do not cover loss or damage that occurs more than **72** hours after the earthquake.

We do not cover loss or damage caused by flood under this insured event.

More details page 20

Theft or Burglary

But not loss or damage caused by someone who entered the insured address with your consent.

More details page 21

Storm

But we do not cover the cost of cleaning mud or clearing debris out of tanks, swimming pools or spas, including replacing or storing the water.

We do not cover loss or damage caused by flood under this insured event.

More details page 18

Fire

But we do not cover loss or damage to the building from arcing, scorching or cigarette burns unless a fire spreads from the initial burn spot.

More details page 20

Tsunami

But we do not cover loss or damage that occurs more than **72** hours after the tsunami.

We do not cover loss or damage caused by flood under this insured event.

More details page 20

Accidental breakage of glass

But we do not cover any costs if the breakage does not extend through the entire thickness of the damaged item (e.g. chips or scratches).

More details page 21

Escape of liquid

But we do not cover wear and tear, or loss or damage caused by the escape of liquid occurring as a result of a gradual process of bursting, leaking, splashing, dripping or overflowing over a period of time when you could reasonably be expected to be aware of this condition.

We do not cover loss or damage caused by flood under this insured event.

More details page 22

Impact

But we do not cover the cost of removing or lopping fallen trees or branches that have not damaged the building.

We do not cover loss or damage caused by flood under this insured event.

More details page 23

Damage by an animal

But we do not cover loss or damage caused by insects, vermin or rodents (some limited exceptions apply).

More details page 24

Explosion

But we do not cover the cost of repairing or replacing the tank or container that exploded.

More details page 24

Riot, civil commotion or public disturbance

But we do not cover loss or damage caused by you or someone who lives at the insured address.

More details page 25

Malicious acts and vandalism

But we do not cover loss or damage caused by you or someone who lives at the insured address.

More details page 25

Summary of important claims information

This summary lists some of the important information to consider when making a claim. This is a summary only and there are other things you should be aware of when making a claim.

For more details see pages 41 to 51.

Making a claim

It is important that you contact us as soon as possible after the loss or damage has occurred. You must also take reasonable steps to prevent further loss or damage.

More details page 41

Establishing your loss

You will need to prove that an incident covered by your policy has occurred and also the extent of the loss or damage you have suffered.

More details page 43

Proof of ownership

We may ask for proof of ownership in the event of a claim.

More details page 43

Excess

An excess is the amount you ordinarily have to pay for each incident when you make a claim. The excess(es) that apply depend upon the circumstances of the claim.

More details page 44

How claims are settled

Depending on the circumstances we will decide to repair, rebuild or pay you what it would cost us to repair or rebuild.

More details page 45

About your sum insured

AAMI offers cover on a sum insured basis or you may be able to choose the option of Complete Replacement Cover®.

Note:

This section 'About your sum insured' does not apply if you have the Complete Replacement Cover® optional cover as under that option we cover insured damage or loss to the building up to the amount it costs us to repair or rebuild.

What is a sum insured?

The sum insured is the most you can claim for any one incident unless stated otherwise in this PDS. The amount is shown on the certificate of insurance or in this PDS and includes GST.

Make sure your sum insured is adequate

Underinsurance can expose you to serious financial loss if a claim occurs. It is your responsibility to make sure the building is insured for its full 'new for old' replacement value.

To help you calculate the replacement value of the building we recommend you seek the services of an architect, builder, quantity surveyor, valuer or other suitably qualified professional for an accurate estimate. Alternatively there are numerous free building replacement cost calculators available on Australian websites that may assist you in working out your sum insured.

Review your sum insured regularly

You need to ensure that the sum insured is sufficient when you first insure the building and each time you renew your policy. To ensure your sum insured is adequate it is important to review it regularly, being mindful of any additions, enhancements or renovations that you may make and ask us to change the sum insured when required.

If you over-insure

We will not pay more than it costs us to rebuild, repair or replace the building.

We will not refund any premium paid for overinsuring.

Adjustments on renewal

AAMI will consider a range of factors that can influence the cost to rebuild the building and may choose to adjust the building sum insured shown on your certificate of insurance at the end of each period of insurance to account for various factors including inflationary trends. However, you need to consider if the building sum insured is sufficient for your situation.

About your premium

The premium is the amount you pay us for this insurance and it includes stamp duty, GST, other government charges and any fire services levy (FSL) that applies. The total amount payable will be shown on your certificate of insurance or, if you pay by instalments, the amount due will be shown on your certificate of insurance as 'instalment amount'.

In addition to the current cost of rebuilding the building, we use many factors about you and the building to work out your premium. These are called premium factors. The premium factors we use reflect the likelihood of you making a claim together with other factors related to our cost of doing business.

Each time you renew your insurance your premium is likely to change, even if your personal circumstances have not changed. This is because premiums are affected by other things such as our expenses of doing business and changes in our approach to how we calculate your premium.

Your premium includes any discounts we have given you.

Refer to the PED Guide for further information

Paying your premium

We will tell you how much you have to pay and how much time you have for payment on your certificate of insurance. You must pay this premium by the due date to get this insurance cover. You can pay in one annual payment or, if we agree, by instalments. If you pay your premium by instalments it costs you more than if you choose to pay your premium in one annual payment.

Unless we tell you, any payment reminder we send you does not change the expiry or due date. If you do not pay the full amount, we may reduce the period of insurance so it is in line with the amount you paid.

If you make a change to your policy details it may affect the premium you need to pay for the remainder of your period of insurance.

Late annual payments

If you do not pay your premium by the due date in the first year of insurance with us, we will give you a written notice of policy cancellation where we are required by law to do so.

If you do not pay the premium due on renewal by the due date, you will have no cover from the due date.

If we accept your late payment, we might recommence your cover from the date we receive your payment. If so, you will have no cover for the period from the due date until the date of payment.

Overdue instalments

If you pay your premium by instalments and your instalment is overdue, we can do one or both of the following:

- refuse to pay a claim if an instalment is **14** days (or more) overdue;
- cancel your policy without notifying you in advance if an instalment is **1** month (or more) overdue.

Your responsibilities

You must:

- keep the building well maintained and in good condition. For what we mean by 'well maintained and in good condition' see 'What do we mean by that?' on pages 53 to 55;
- take all reasonable care to prevent theft, loss, damage or legal liability;
- follow all the terms and responsibilities set out in your policy;
- provide honest and complete information for any claim, statement or document supplied to us;
- ensure that the building complies with local government or other statutory requirements at all times.

Not meeting your responsibilities

If you do not meet your responsibilities, it may lead us to do one or both of the following:

- reduce or refuse to pay your claim;
- cancel your insurance policy.

When the building will be unoccupied for more than 60 days

We will apply the unoccupied excess to each incident covered by your policy **unless** your policy states that no excess applies to your claim if, at the time of the incident, the building has been unoccupied for more than **60** continuous days.

A period of unoccupancy starts when the building becomes unoccupied and comes to an end when you, or someone nominated by you, has occupied the building for at least **2** consecutive nights. You may be asked to prove the occupancy of the building in the event of a claim. This may be supported by the usage of the utilities that are connected to the building. Sometimes we might ask for other evidence of occupancy. We will decide if the unoccupied excess applies.

If you have to pay the unoccupied excess it is payable in addition to any other excess that applies to your claim. For more details about the unoccupied excess, see page 44.

When you need to contact us

You must contact us when:

- you start to operate or intend to operate a business activity at the insured address;
- there are changes to any business activity you operate at the insured address, such as:
 - you change the type of business activity;
 - people start to come to the insured address;
 - you install business signage;
 - you need to store chemicals for the business activity.
- any detail on your certificate of insurance is no longer accurate, such as the insured address or the description of the building (if shown);
- you purchase a new building;
- you intend to demolish the building, have lodged an application to do this, or a government authority has issued a demolition order;
- you move out and let the building to tenants;
- trespassers (squatters) occupy the building;
- you commence building or renovations at the insured address;
- anything else happens that increases the chance that loss, damage or injury will occur at the insured address;
- your contact details change.

What we will do when you contact us

When you contact us and tell us about these changes, we may decide to impose an additional excess, charge an additional premium or apply a special condition to your policy. In some cases, it could mean we can no longer insure you and we will cancel your policy.

About your cover

Who we cover - You/Your

You/Your refers to the person or persons named as the insured on your certificate of insurance and members of your family who normally live with you at the insured address.

If the insured shown on your certificate of insurance is a company, trustee of a trust or body corporate, then you/your refers to:

- that company, trustee or body corporate;
- the following if they normally live at the insured address:
 - any company director, company owner or trust beneficiary; **and**
 - their respective family members.

Family means:

- your spouse, partner or de facto;
- your parents, parents-in-law, grandparents;
- your children, grandchildren, brothers and sisters, including their respective spouse, partner or de facto;
- the children, parents, parents-in-law, grandparents, grandchildren, brothers and sisters of your spouse, partner or de facto; **and**
- people who provide care or services to you.

Where we cover - the insured address

We cover the building at the insured address. The insured address is the address/location shown on your certificate of insurance. It also includes all land adjoining the insured address that you have a legal right to occupy, if the land adjoining the insured address is not subject to any communal or common property conditions (e.g. community title/strata title arrangements). The insured address does not include common property.

What we cover as the building

The building that you own or are responsible for and use primarily for domestic purposes and described as 'The building' on your certificate of insurance (if it shows a description of 'The building') including the following at the insured address:

- garages, carports, outbuildings, outdoor walls, gates, fences (limits apply) and any structural improvements on land;
- decks, pergolas, pagodas, verandas and balconies, fixed water tanks, fixed swimming pools and spas and their accessories, granny flats, sheds, tennis courts;
- garden borders, pathways, and paved or concreted floor areas;
- driveways or sealed roads (limits apply);
- retaining walls which are located within the boundaries of the insured address;
- services, both above and below ground that are your property and you are responsible for;
- any permanently housed, connected or wired electrical appliances;
- any permanently fixed outdoor items, including solar panels, satellite dishes, play equipment, clothes lines, animal housing and outdoor lights;
- gas appliances permanently plumbed to a gas supply;
- any permanently attached fixtures including wall, ceiling and floor coverings;
- lino installed, whether permanently attached or not;
- sewer storage tanks or treatment tanks permanently plumbed to the building;
- boat jetties, pontoons, mooring poles and their attachments and accessories which are located within the boundaries of the insured address or where part of their structure begins or terminates on the insured address;
- any uninstalled building fittings, fixtures and materials to be used for the building **but only** when kept in a locked and secured building at the insured address.

What we do not cover as the building

Building does not include:

- anything defined as contents;
- any new building in the course of construction;
- any part of the building used for farming of any description such as, **but not limited to** a barn, dairy, shearing shed, silo or stable;
- any temporary or mobile structures, including caravans, houseboats, watercraft or motorised vehicles or craft of any type;

- inflatable or portable swimming pools and spas and their accessories;
- any fixed or temporary dead weight moorings, mushroom moorings or screw in moorings;
- any carpets, rugs, blinds, drapes or curtains;
- air conditioners attached within a window;
- loose or compacted soil, lawn, artificial grass, gravel, pebbles, rocks or granular rubber;
- used or applied chemicals, fertilisers or pesticides;
- plants, trees and shrubs or hedges in the ground;
- a hotel, motel, boarding or guest house;
- any domestic outbuilding with its own utility metering that is occupied, or could be occupied, as a residence.

The most we will pay for building claims

The most we will pay for loss or damage to the building is the sum insured shown on your certificate of insurance, unless a different limit elsewhere in your policy applies or if you have the Complete Replacement Cover® option. Some items also have fixed limits that cannot be increased and these limits (shown in the table below) are the most we will pay for those items.

Fixed limits apply to	Limits for any one insured event
Fencing*	up to 2 kilometres
Driveways and sealed roads*	up to 500 metres

*In addition to the distance limit shown we will not pay more than the building sum insured shown on your certificate of insurance.

If you have chosen the Complete Replacement Cover® option (see page 31) and it is shown on your certificate of insurance, the most we will pay for loss or damage to the building due to an insured event is what it costs us to rebuild the building on a 'new for old' basis, unless a different limit elsewhere in your policy applies. The fixed limits shown in the table above do not apply if you have the Complete Replacement Cover® option.

GST

Limits and the most we pay amounts stated in this PDS and on your certificate of insurance include GST.

What you are covered for - Insured Events

We cover the building for loss or damage at the insured address caused by an insured event during the period of insurance. There are some things we do not cover and these are shown in the 'We do not cover' section of the following tables on pages 16 to 25 and in the 'What we do not cover - general exclusions' on pages 35 to 40.

Flood

We cover

Loss or damage to the building caused by flood.

'Flood' means the covering of normally dry land by water that has escaped or been released from the normal confines of any of the following:

- (a) a lake (whether or not it has been altered or modified);
- (b) a river (whether or not it has been altered or modified);
- (c) a creek (whether or not it has been altered or modified);
- (d) another natural watercourse (whether or not it has been altered or modified);
- (e) a reservoir;
- (f) a canal;
- (g) a dam.

Important Note:

You may be eligible to remove cover under insured event 'Flood' from your policy. To find out if you are eligible please contact us.

If you are eligible to remove cover under insured event 'Flood' and would like to remove the cover, you need to ask us.

If we agree, **you will not have cover under insured event 'Flood'**. Your certificate of insurance will show this limitation in your cover.

When both building and contents are insured with us on the same policy and you remove cover under insured event 'Flood', you are removing cover under insured event 'Flood' for both building and contents.

We do not cover

- loss or damage caused by flood if you do not have flood cover. Your certificate of insurance will show this limitation in your cover;
- loss or damage caused by actions or movements of the sea or storm surge;
- loss or damage to retaining walls, sea walls, garden borders and free standing outdoor walls;
- resultant cracking to paths, driveways, any outdoor surfaces, **but we will cover** them if they are washed away by the flood;
- loss or damage to a sporting surface or court;
- loss or damage to boat jetties, pontoons, mooring poles and their attachments and accessories, including if they are washed away by the flood;
- the cost of cleaning mud or debris out of tanks, swimming pools or spas, including replacing or storing the water;
- damage to external paintwork of the building, if that is the only building damage caused by the flood;
- loss or damage to swimming pools or underground tanks caused by water leaking down the sides, against the sides or getting underneath them;

Flood (cont'd)

We cover

We do not cover

- loss or damage to gates, fences or wall fences that were in a state of disrepair which would have been obvious to a reasonable person before the damage occurred;
 - loss or damage caused by erosion, vibration, subsidence, landslip, landslide, mudslide, collapse, shrinkage or any other earth movement, **but we will cover** damage to the building caused by a landslide or subsidence proved to have occurred within **72** hours of, and directly because of, flood and not because of erosion over time, structural fault or design fault;
 - the cost of cleaning the building at the insured address.
-

Storm

We cover

Loss or damage to the building caused by a storm.

We do not cover

- loss or damage caused by flood;
 - loss or damage to the building caused by actions or movements of the sea or storm surge, **but we will cover** loss or damage caused by storm surge if it occurs at the same time as other insured damage at the insured address caused by storm;
 - loss or damage caused by erosion, vibration, subsidence, landslip, landslide, mudslide, collapse, shrinkage or any other earth movement, **but we will cover** loss or damage to the building caused by a landslide or subsidence proved to have occurred within **72** hours of, and directly because of, a storm and not because of erosion over time, structural fault or design fault;
 - loss or damage to retaining walls, sea walls, garden borders and free standing outdoor walls;
 - resultant cracking to paths, driveways, any outdoor surfaces, **but we will cover** them if they are washed away by the storm;
 - loss or damage to a sporting surface or court;
 - loss or damage to boat jetties, pontoons, mooring poles and their attachments and accessories, including if they are washed away by the storm;
 - the cost of cleaning mud or clearing debris out of tanks, swimming pools or spas, including replacing or storing the water;
 - loss or damage to swimming pools or underground tanks caused by water leaking down the sides, against the sides or getting underneath them;
-

Storm (cont'd)

We cover

We do not cover

- damage to external paintwork of the building, if that is the only building damage caused by the storm;
 - loss or damage to gates, fences or wall fences that were in a state of disrepair which would have been obvious to a reasonable person before the damage occurred;
 - the cost of cleaning the building at the insured address.
-

Lightning

We cover

Loss or damage to the building caused by lightning, including power surge caused by lightning.

We do not cover

- any claim where the Australian Government Bureau of Meteorology has no record of lightning in your area at the time of the loss or damage;
 - loss or damage without written confirmation from a qualified repairer saying lightning was the actual cause of the loss or damage;
 - loss or damage caused by power failures or surges by your power provider.
-

Fire

We cover

Loss or damage to the building caused by fire (burning with flames).

We do not cover

Loss or damage arising from:

- heat, ash, soot and smoke when the building has not caught on fire **unless** it is caused by a burning building within **10** metres of the insured address;
 - arcing, scorching or cigarette burns **unless** a fire spreads from the initial burn spot;
 - pollution or vapour from a home heater or a cooking appliance **unless** a fire spreads from the initial source.
-

Earthquake and Tsunami

We cover

Loss or damage to the building caused by an earthquake or tsunami.

We do not cover

- loss or damage caused by flood;
 - loss or damage caused by actions or movements of the sea or storm surge;
Note: 'Tsunami' is not an action or movement of the sea, see page 53.
 - loss or damage that occurs more than **72** hours after an earthquake or tsunami;
 - loss or damage caused by erosion, vibration, subsidence, landslip, landslide, mudslide, collapse, shrinkage or any other earth movement, **but we will cover** damage to the building caused by a landslide or subsidence proved to have occurred within **72** hours of, and directly because of, an earthquake or tsunami and not because of erosion over time, structural fault or design fault.
-

Theft or Burglary

We cover

Loss or damage to the building caused by thieves or burglars.

We do not cover

Loss or damage:

- caused by you or someone who lives at the insured address;
- caused by someone who entered the insured address with:
 - your consent;
 - the consent of someone who had your authority to allow them access to the insured address.

Accidental breakage of glass

We cover

Accidental breakage of:

- fixed glass in windows, doors, skylights, mirrors fixed to the building and other fixed glass (including glass tint if fitted);
- glass in a fixed light fitting in the building;
- sinks, basins, baths or shower-bath combinations, cisterns and toilets;
- any glass that forms part of a:
 - fixed cooking or heating appliance; **or**
 - cook top or cooking surface;

but we will not pay to replace the entire appliance, cook top or cooking surface.

We do not cover

- glass in a glasshouse, greenhouse or conservatory;
- ceramic tiles;
- shower bases (tiled or otherwise);
- the cost to modify any part of the building to fit any replacement cooking or heating appliance if the dimensions differ;
- the cost to remove broken glass from carpets or other parts of the building;
- any loss or damage if the breakage does not extend through the entire thickness of the damaged item (e.g. chips or scratches).

Replacing glass

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

Escape of liquid

We cover

Loss or damage to the building caused by liquid leaking, overflowing or bursting from any of the following:

- refrigerators, freezers, dishwashers and washing machines;
- any drain, fixed pipes, roof gutters or guttering and rainwater downpipes, drainage and sewage systems;
- fixed tanks;
- swimming pools or spas;
- waterbeds;
- baths, sinks, toilets and basins;
- fixed heating or cooling system;
- water main, fire hydrant or water supply pipe;
- an aquarium.

Exploratory costs

We will pay the reasonable cost of locating, at the insured address, the source of the escaped liquid and to repair and restore the damage to the building caused by our exploratory work **but only** if the escape of liquid is covered under this insured event. If the leak is not covered under this insured event, we provide some limited cover for exploratory costs under additional cover 'Exploratory costs where a leak is not covered under insured event 'Escape of liquid''. See page 30.

If we pay for damage or exploratory costs under this insured event, we will also pay up to **\$750** extra to replace undamaged wall tiles in the same room, hallway, stairs or passageway* so they match or complement new tiles used for repairs. See 'When we will repair or rebuild undamaged parts' on page 47.

We do not cover

- loss or damage caused by flood or storm surge;
- 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 when you could reasonably be expected to be aware of this condition;
- the cost of repairing or replacing the item from which the liquid escaped;
- fixing leaks that have not caused permanent damage to the building;
- leaks from agricultural pipes;
- loss or damage caused by liquid from a portable container, such as plant pot, vase, terrarium, fish bowl, beverage container, saucepan, bucket or watering can;
- loss or damage caused by liquid from a watering system or hose;
- loss or damage to retaining walls;
- loss or damage to, or caused by, a leaking shower floor or base, shower cubicle walls, shower glass screening or doors;
- costs if you repair or renovate a damaged area of the building before we can inspect it and find the cause;
- broken, worn or aged tiles or grouting in walls in bathrooms, kitchens or laundries **unless** the damage is caused by liquid leaking from pipes in walls or floors (not forming part of a shower cubicle wall, floor or base);
- loss or damage caused by wear, tear, rust, fading, rising damp, mould, mildew, corrosion, rot.

*See pages 48 to 49

Impact

We cover

Loss or damage to the building caused by impact at the insured address from:

- a falling tree or part of a falling tree including the roots;
- power poles;
- TV antennas or satellite dishes, communication aerials or masts;
- watercraft, aircraft, motor vehicles or trailers;
- an object falling from a motor vehicle or aircraft;
- space debris or meteorites.

We do not cover

- loss or damage caused by flood or storm surge;
 - loss or damage to driveways, paths, paving or underground services caused by a road vehicle, crane or earthmoving equipment;
 - any portion of a fence or wall that is not owned by you;
 - the cost of removing or lopping fallen trees or branches that have not damaged the building;
 - loss or damage caused by trees being lopped, felled or transplanted by you or someone authorised by you;
 - the removal of tree stumps or roots still in the ground.
-

Damage by an animal

We cover

Loss or damage to the building caused by an animal.

We do not cover

Loss or damage caused by:

- any animal owned by you or that you are responsible for;
 - any animal allowed onto the insured address by you or anyone living at the insured address;
 - insects, vermin or rodents, **but we will cover** damage they cause if it is covered under the following insured events:
 - 'Fire' (see page 20);
 - 'Escape of liquid' (see page 22).
 - animals pecking, biting, clawing, scratching, tearing or chewing the building, or damage caused by their urine or excrement. **But we will cover** damage to the building caused by an animal (**except** insects, vermin or rodents) which becomes accidentally trapped inside the building and which does not belong to you or anyone living at the insured address.
-

Explosion

We cover

Loss or damage to the building caused by an explosion.

We do not cover

- the cost of repairing or replacing the tank or container that exploded;
 - loss or damage caused by nuclear or biological devices;
 - loss or damage caused by erosion, vibration, subsidence, landslip, landslide, mudslide, collapse, shrinkage or any other earth movement, **but we will cover** loss or damage to the building caused by a landslide or subsidence proved to have occurred within **72** hours of, and directly because of, an explosion and not because of erosion over time, structural fault or design fault.
-

Riot, civil commotion or public disturbance

We cover

Loss or damage to the building caused by riot, civil commotion or public disturbance e.g. damage caused by a violent crowd moving down your street.

We do not cover

- loss or damage caused by you or someone who lives at the insured address;
 - loss or damage caused by someone who entered the insured address:
 - with your consent;
 - with the consent of someone who had your authority to allow them access to the insured address.
 - loss or damage if you or someone living with you participated in the riot, civil commotion or public disturbance;
 - loss or damage caused by nuclear or biological devices.
-

Malicious acts and vandalism

We cover

Loss or damage to the building caused by malicious acts or vandalism e.g. vandals damaging your letterbox or painting graffiti on the building.

We do not cover

- loss or damage caused by you or someone who lives at the insured address;
 - loss or damage caused by someone who entered the insured address:
 - with your consent;
 - with the consent of someone who had your authority to allow them access to the insured address.
-

Refer to the PED Guide for further information

Additional features

If we accept your claim for loss or damage to the building due to an insured event, we will also provide the following additional features. The additional features and their limits are paid in addition to the cover provided under the building insurance.

In some circumstances, we may decide to make an additional feature available to you before we accept or agree to pay your claim. If we do this, it does not mean that your claim has or will be accepted or that we have otherwise agreed to pay your claim. If we later decide that we cannot accept or pay your claim then the cover available under an additional feature will not apply and we may decide to recover the costs from you.

There are some things we do not cover under these additional features and these are shown in the 'We do not cover' section of the following tables on pages 26 to 28 and in the 'What we do not cover - general exclusions' on pages 35 to 40.

Other repair/rebuilding costs

We cover

When we are rebuilding or repairing damaged parts of the building, we will pay the reasonable and necessary costs:

- of any temporary work required to make the damaged or destroyed building and insured address safe;
- for the services of professionals, such as architects or surveyors, to repair or rebuild at the insured address;
- to make the damaged parts of the building comply with the current home building regulations and laws.

Limit

The most we will pay for any one event is **10%** of the building sum insured, **unless** your certificate of insurance shows that you have the Complete Replacement Cover® option (see page 31), in which case we pay the reasonable and necessary costs.

We do not cover

The cost of:

- removing tree stumps and roots still in the ground;
- removing or lopping fallen trees or fallen branches that have not damaged the building;
- upgrading undamaged parts of the building to comply with the current home building regulations and laws;
- making the building comply with home building regulations and laws that existed but were not complied with when the building was originally built or altered.

Removal of debris

We cover

The reasonable and necessary costs of:

- demolishing and removing the damaged parts of the building from the insured address;
- the removal of debris when required in order to repair the building.

Limit

The most we will pay for any one event is **10%** of the building sum insured, **unless** your certificate of insurance shows that you have Complete Replacement Cover[®] option (see page 31) in which case we pay the reasonable and necessary costs.

We do not cover

The cost of:

- removing tree stumps and roots still in the ground;
- removing any debris, including fallen trees or fallen branches that have not damaged the building.

Temporary accommodation

We cover

When an insured event damages the building to the extent you cannot live there, and we agree, we will pay for your reasonable temporary accommodation costs for the time it will take to repair or rebuild the building to a liveable condition. The most we will pay is:

- up to **4** weeks in short term accommodation agreed to by us (e.g. standard rates for a hotel, motel or serviced apartment), then if necessary;
- up to another **48** weeks in residential accommodation of a similar standard to the building.

We will also pay the reasonable and necessary costs for:

- redirection of mail from the insured address for up to **52** weeks;
- utility connection costs at the temporary accommodation residence;
- assistance with bond payment if required, however any amount we pay in bond is recoverable from you by us. We may deduct this amount from any amount payable to you.

Limit

The most we will pay for any one event is **10%** of the building sum insured, **unless** your certificate of insurance shows that you have Complete Replacement Cover[®] option (see page 31), in which case we pay the reasonable and necessary costs.

We do not cover

- temporary accommodation costs:
 - if damage to the contents is the reason why you cannot live there;
 - if you do not intend to repair or rebuild the building;
 - if before the loss or damage occurred, you had planned to demolish the building;
 - if you do not need to pay for temporary accommodation;
 - if the building was not your principal place of residence at the time of the loss or damage;
 - if you had not intended to be living at the building during the repair period (had the building not been damaged);
 - beyond the period it should reasonably take to replace or repair the building so you can live there again.
- any costs related to any business activity operated at the building.

Refer to the PED Guide for further information

Additional covers

We also provide the cover set out under the following additional covers. A claim under an additional cover can be made independently of a claim for loss or damage to the building.

The cover provided is shown in the 'We cover' section of the following tables on pages 29 to 30. In all cases the incident that causes the loss or damage must happen in the period 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 on pages 29 to 30 and in the 'What we do not cover - general exclusions' on pages 35 to 40. All of the conditions of this policy apply to these additional covers unless the cover says otherwise.

Motor burnout

We cover

The burning out or fusing of electric motors, that happens in the period of insurance, in household equipment or appliances which are part of the building and less than **7** years old.

Cover includes the reasonable cost to repair or replace:

- the electric motor or compressor containing the motor;
- an entire sealed unit, filter, dryer and re-gassing if the electric motor is inside a sealed refrigeration or air conditioning unit;
- a swimming pool water pump, combined with its electric motor, if the replacement pump motor cannot be bought on its own.

If an electric motor or motor in an appliance cannot be repaired or replaced, we will pay the replacement cost of an equivalent motor or motor in a sealed unit of the same specification and standard available today. We will not pay for the replacement of the whole appliance **unless** it costs us less than it would to repair or replace the motor.

We do not cover

- loss or damage caused by flood if you do not have cover for insured event 'Flood';
- the cost of extracting or reinstalling a submersible pump;
- any amount you can recover under a manufacturer's guarantee or warranty;
- loss or damage to motors forming part of equipment used in conjunction with your trade, business activity or occupation.

Exploratory costs where a leak is not covered under insured event 'Escape of liquid'

We cover

We will pay the cost to locate the source of liquid escaping or overflowing at the insured address and to repair and restore the damage to the building caused by our exploratory work if the escape of liquid first happens during the period of insurance.

The most we will pay is **\$1,000** for each incident.

If you make a claim under this additional cover, no excess applies.

Note: We will not pay extra under this additional cover to repair or rebuild undamaged parts meaning that the section 'When we will repair or rebuild undamaged parts' on page 47 does not apply.

We do not cover

Loss or damage caused by flood if you do not have cover for insured event 'Flood'.

Refer to the PED Guide for further information

Optional Complete Replacement Cover®

You may be able to insure the building under our Complete Replacement Cover® option, instead of on a building sum insured basis.

This option can only be added to your policy at certain times, such as when you purchase your policy or renew it. Normally an extra premium is payable. If you would like this option, please ask us. We may ask you to supply additional details about the building. Your answers to our questions will be shown on your certificate of insurance and we will rely on your answers as the basis of our assessment of the cover we will provide.

If we agree to add the Complete Replacement Cover® option to your home building insurance policy and you pay for this optional cover, it will be shown on your certificate of insurance and you will not have a building sum insured.

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

We cover

Loss or damage to the building due to an insured event during the period of insurance up to what it costs us to repair or rebuild the damaged parts of the building on a 'new for old' basis **unless** provided otherwise in your policy.

Limit

Up to what it costs us to repair or rebuild the building on a 'new for old' basis **unless** provided otherwise in your policy.

We do not cover

- loss or damage caused by flood if you do not have cover for insured event 'Flood';
 - any loss, damage, item, cost or expense that is not covered under the insured event for which you are claiming;
 - upgrading undamaged parts of the building to comply with the current home building regulations and laws;
 - making the building comply with home building regulations and laws that existed but were not complied with when the building was originally built or altered;
 - building features we have asked you about but which you have either not told us about or have inaccurately disclosed to us.
-

Refer to the PED Guide for further information

Legal Liability

The most we will pay for all claims from any one incident for legal liability covered by this policy is **\$20 million**, including all associated legal costs we have agreed to pay following your claim.

We cover your legal liability to pay compensation for death or bodily injury to other people, or loss or damage to their property, resulting from an incident which happens during the period of insurance:

- in connection with you owning or living in the building; **and**
- at the insured address.

What we do not cover

We do not cover legal liability caused by or arising from:

Agreements you enter into

any agreement or contract you enter into, **but we will cover** your legal liability if it would have existed had you not entered into the agreement or contract.

Aircraft

you using or owning any aircraft or the facilities to land or store aircraft, **but we will cover**:

- a remote-controlled model or toy aircraft with a wingspan up to **1.5** metres;
- a kite designed to be held by a person on land or attached to a non-motor powered watercraft (e.g. a surf kite).

Animals

any animal other than your domestic dog, cat or horse.

Asbestos

exposure to or potential exposure to asbestos in any form.

Buildings, property or land not at the insured address

you owning, occupying or renting any building, property or land not at the insured address.

Building, altering or renovating

building work being carried out at the insured address where the total cost of building, altering, extending or renovating is more than **\$50,000**.

Business activity

any business activity, **but we will cover** this if it relates to part-time or casual babysitting where you do not need to be registered or licensed to do this.

Caravans and trailers

using or towing a caravan, mobile home or trailer.

Committee members or officials

your actions or duties as a committee member or director of a club or association, as a coach, referee or official at a game or organised sporting activity.

Death or injury

death or injury of:

- you;
- a child (born or unborn) under **18** years who is your child or the child of your spouse, de facto or partner;
- your pets;
- anyone who usually lives at the insured address.

Fines, penalties and other damages

civil or criminal penalties or fines or aggravated, exemplary, punitive or multiple damages.

Illness or disease

illness, disease or sickness you knowingly spread or failed to take due care to prevent spreading after you knew about it.

Legal actions in other countries

legal actions or legal claims brought against you, decided or heard in countries outside Australia or New Zealand.

Libel or slander

libel or slander.

Motor vehicles or motorcycles

the use or ownership of a motor vehicle or motorcycle or instructing someone on how to use it **unless** at the time of the incident, it was being used legally and did not have to be insured under any compulsory third party insurance laws and was:

- a remote controlled motor car;
- a wheelchair or a mobility scooter designed to accommodate physical disabilities or the elderly;
- a golf cart or buggy;
- domestic gardening equipment (e.g. ride-on mower).

Watercraft

using or owning any watercraft **unless** it is a sailboard, surfboard, wave board, canoe, kayak, non-motorised surf ski or remote controlled model watercraft.

Your employees

death or injury of your employees or damage to their property while they are working for you.

Refer to the PED Guide for further information

What we do not cover - general exclusions

You are not covered under any section of your policy for damage, loss, cost or legal liability that is caused by, arises from or involves:

Actions or movements of the sea

any actions or movements of the sea.

Aircraft shock waves

the gradual effects of vibrations, or shock waves caused by aircraft travelling at high speeds **unless** you can clearly show us that the damage was caused by a single destructive incident (e.g. sonic boom).

Biological, chemical, other pollutant or contaminant

- any actual or threatened biological, bacterial, viral, germ, chemical or poisonous substance, pollutant or contaminant; **or**
- any looting or rioting following the actual or threatened release of any biological, bacterial, viral, germ, chemical or poisonous substance, pollutant or contaminant; **or**
- any action taken by a public authority to prevent, limit or remedy the actual or threatened release of any biological, bacterial, viral, germ, chemical or poisonous substance pollutant or contaminant.

But we will cover:

- fire damage that is covered by insured event 'Fire';
- your legal liability under 'Legal Liability' cover, to the extent your legal liability arises from your use of pesticides or herbicides at the insured address;
- the cost to remove asbestos or its derivatives from the insured address during repairs or rebuilding if we have accepted a claim for loss or damage to the building.

Breaking the law

- you, or someone with your knowledge or permission, committing or trying to commit an unlawful or criminal offence, such as assault or malicious damage;
- your possession, supply or consumption of any illegal substances or illegal drugs;
- you not obeying any commonwealth, state, territory or local government law, including laws relating to:
 - installing smoke alarms;
 - pool fencing;
 - failing to install a balcony railing or balustrade when required;
 - dangerous goods and liquids;
 - firearms;
 - control and safekeeping of dangerous or restricted breeds of dogs, including not obeying any legal requirement to restrain a dog in public or keep it fenced in.

What we do not cover - general exclusions (cont'd)

You are not covered under any section of your policy for damage, loss, cost or legal liability that is caused by, arises from or involves:

Building extensions, alterations or renovations

other than the cover available under 'Legal Liability', building extensions, alterations or renovations to the building, including:

- damage caused by cracking, collapse, subsidence or damage to the building caused fully or partially by the building work;
- damage caused by storm, flood or water entering the building through openings in the walls or roof or other unfinished parts of the building, whether or not they are temporarily covered at the time of the damage;
- damage caused by storm or flood to any part that is not fully built;
- theft or damage by someone who enters or leaves through an unlockable part of the building;
- malicious damage or vandalism to unfinished parts of the building.

Bushfires, storms, floods, tsunamis in the first 72 hours of cover

a bushfire, storm, flood or tsunami in the first **72** hours of cover. **But we will cover** these events if this policy began on the same day:

- you bought the building; **or**
- that another policy covering the building expired, but not when you cancelled the policy prior to its expiry date, and only up to the sums insured covered under the expired policy (any increase in sums insured will not be covered for these events for the first **72** hours specified).

Confiscation or damage by a legal authority

confiscation, nationalisation, requisition or damage caused by the police, a government authority or someone with the legal authority to do this.

Consequential losses or extra costs following an incident covered by your policy

consequential loss (financial and non-financial loss) or extra costs following an incident covered by your policy, such as:

- loss of income or wages;
- medical expenses;
- loss or costs, including the cost of your time (e.g. inconvenience), to prove your loss or to help us with your claim (e.g. telephone calls, postage);
- cost of hiring appliances after yours suffer loss or damage;
- professional, expert, legal, consulting or valuation costs **unless** you obtained our prior written authority to incur these costs;

- cost of replacing or reapplying pest control chemicals and baits in or around the insured address;
- cleaning costs;
- any costs related to stress or anxiety;
- any costs not covered by your policy.

Defect, structural fault or design fault

a defect, structural fault or design fault that you knew about (or should reasonably have known about) and did not fix before the loss or damage occurred (e.g. if there are signs that a defect previously caused damage, we will not pay a later claim for further damage from this defect).

Deliberate actions by you

an act or omission by you, your family, anyone living at the building or any owner or part owner of the building, or anyone acting with your consent, which:

- is deliberate;
- is a deliberate lack of action;
- demonstrates a reckless disregard for the consequences of that action or omission.

Deliberate damage to a reservoir or dam

deliberate or malicious damage to, or destruction of, a reservoir or dam, or any looting or rioting following such an incident.

Failing to take care of the building or contents

your failure to:

- take reasonable care of the building and contents;
- keep the buildings and contents well maintained and in good condition. For the meaning of 'well maintained and in good condition' see the 'What do we mean by that?' section on pages 53 to 55;
- fix faults and defects as soon as you become aware of them.

Ground movement

erosion, vibration, subsidence, landslip, landslide, mudslide, collapse, shrinkage or any other earth movement, **but we will cover** landslide or subsidence that is specifically covered under the following insured events:

- 'Storm';
- 'Flood' (but only if you have cover for insured event 'Flood');
- 'Earthquake and Tsunami';
- 'Explosion'.

What we do not cover - general exclusions (cont'd)

You are not covered under any section of your policy for damage, loss, cost or legal liability that is caused by, arises from or involves:

Hazardous materials

any hazardous materials if not stored or used in accordance with the relevant law, controls and manufacturer's instructions.

Mechanical or electrical breakdown

mechanical or electrical failure or breakdown or anything that fails to operate properly, **but we will cover** damage caused by:

- fire spreading from an electrical fault to other parts of the building to the extent it is covered under insured event 'Fire';
- lightning to the extent it is covered under insured event 'Lightning';
- motor burnout to the extent it is covered under 'Motor burnout' additional cover.

Not complying with building regulations

the building not complying with building laws or regulations, **except** those laws or regulations introduced after the buildings were originally built or last altered and which you were not required to comply with.

Power surge

power surge, **unless** the surge or the loss or damage caused by the surge is covered under:

- insured event:
 - 'Fire';
 - 'Lightning';
 - 'Storm';
 - 'Flood' (but only if you have cover for insured event 'Flood').
- 'Motor burnout' additional cover.

Radioactivity/nuclear materials

- radioactivity or the use, existence or escape of nuclear fuel, nuclear material or waste; **or**
- action of nuclear fission including detonation of any nuclear device or nuclear weapon; **or**
- any action taken by a public authority to prevent, limit or remedy the actual or threatened release of any radioactive or nuclear materials; **or**
- any looting or rioting following these incidents.

Replacement of water

the loss, storage and replacement of water in any tank, container, pool, spa, and any other water storage vessel.

Revolution, war

- revolution, hostilities, war or other acts of foreign enemy, war like activity (whether war is declared or not), military coup; **or**
- any looting or rioting following these incidents.

Roots of trees, shrubs and plants

the roots of trees, shrubs or plants, **but we will cover** damage to your building caused by:

- liquid leaking or overflowing from pipes or drains that are blocked or damaged by these roots to the extent it is covered under insured event 'Escape of liquid';
- roots from a fallen tree to the extent it is covered under insured event 'Impact'.

Seepage of water

water seeping or running:

- through the earth (hydrostatic water seepage);
- down the sides of earth or earth fill that is up against the building;
- down the sides or underneath swimming pools or spas causing them to move, change shape, lift or leak through their hydrostatic valves;
- against or through retaining walls and forcing them to move or crack;
- from agricultural pipes.

Storm surge

storm surge **except** to the extent loss or damage is covered under insured event 'Storm'.

Tenants, paying guests or boarders

tenants, paying guests or boarders or someone who lives with them or a person who entered the building with their consent.

Tree lopping

trees being lopped, felled or transplanted by you or someone authorised by you.

What we do not cover - general exclusions (cont'd)

You are not covered under any section of your policy for damage, loss, cost or legal liability that is caused by, arises from or involves:

Wear, tear and gradual deterioration

wear, tear, rust, fading, rising damp, mould, mildew, corrosion, rot, action of light, atmospheric or climatic conditions or gradual deterioration such as, **but not limited to:**

- tiles and their adhesive or grouting breaking down;
- weathering of roof tiles or roof ridge capping;
- gradual weathering and breakdown of bricks, mortar or concrete.

Overdue instalments

if you pay your premium by instalments and your instalment is overdue, we can do one or both of the following:

- refuse to pay a claim if an instalment is **14** days (or more) overdue;
- cancel your policy without notifying you in advance if an instalment is **1** month (or more) overdue.

Claims

Making a claim

Contact us as soon as possible if you suffer loss or damage, or if there is an incident that could result in a claim.

What you must do

Step 1 **Make sure everyone is safe. For emergencies, please call 000.**

Step 2 **Try to prevent further loss or damage.**

If possible take reasonable steps to prevent further loss, damage or liability (e.g. if there is a hole in the roof, arrange for it to be covered to prevent further water damage from the rain).

Step 3 **Immediately report any theft and malicious damage to the police.**

Give them a list of all stolen or damaged items. Keep details of the date reported, name of the police officer, police station reported to and the report number.

Step 4 **Contact us as soon as possible.**

If you delay reporting your claim, we may not pay for any additional loss or damage caused by your delay.

Describe details of what has been affected by the event (e.g. a window broken in a storm). For electrical items, please have details about the make and model handy.

Note: If the damage to your property was caused by another person, please provide us their name and address, or if applicable, their registration details.

How the Goods and Services Tax (GST) affects this insurance

You must tell us about the input tax credit (ITC) you are entitled to for your premium and your claim, each time you make a claim. If you do not give us this information or if you tell us an incorrect ITC, we will not pay any GST liability you incur. Our liability to you will be calculated taking into account any ITC to which you are entitled for any acquisition which is relevant to your claim, or to which you would have been entitled were you to have made a relevant acquisition.

Legal liability claims

You must tell us about any incident that has caused an injury to others or damage to other people's property.

You must also immediately tell us about any demands made on you to pay compensation to others and any court actions or offers of settlement and send these to us.

If you make a legal liability claim that is covered by your policy we can decide to defend you, settle any claim against you or represent you at an inquest, official inquiry or court proceedings.

If we decide to defend you, settle any claim against you or represent you, then you must give us all the help we need, including help after your claim is settled.

For more details on 'Legal Liability' cover see pages 32 to 34.

To process the claim, you must

- allow us to inspect the damaged building;
- allow us to arrange for experts to assess the damaged building and to quote on repair or replacement;
- provide us with a quote for repair or replacement if we ask for this. If you choose to use our recommended repairers (when available), there is no need to obtain your own quotes;
- when requested, provide us with all proofs of ownership and value, information, co-operation and assistance in relation to a claim (including attending an interview or giving evidence in court if required) as we may reasonably require;
- allow us, or a person nominated by us, to recover, salvage or take possession of the building. When we ask, you must send any items to us, or cooperate in our collection or retrieval of such items;
- consult an expert if we ask for this.

What you must not do

- do not dispose of any damaged parts or items of the building without our consent;
- do not carry out or authorise repairs without our consent **unless** you cannot contact us and need to make emergency repairs to protect the building;
- do not wash or clean or remove debris from any area damaged by fire without our consent **unless** you need to do this to prevent further loss;
- do not admit liability or responsibility to anyone else **unless** we agree;
- do not negotiate, pay or settle a claim with anyone else **unless** we agree;
- do not accept payment from someone who admits fault for loss or damage to the building. Refer them to us instead.

If you do not comply

If you do not comply with 'What you must do' and 'What you must not do' we can reduce or refuse your claim and/or recover from you any costs and/or any monies we have paid and/or cancel your policy.

If we decline a claim

We will provide reasons for our decision to decline and if you decide to lodge a claim, we will send you written confirmation of our decision.

How to establish your loss

Establish an incident took place

When making a claim you must be able to prove that an incident covered by your policy actually took place. If you do not do this, we will not be able to pay your claim.

We may obtain the following from the police:

- confirmation that you reported the incident;
- details of any investigations they undertook.

You must give us authority to access these records, if we ask.

Describe your loss or damage

You must also give us accurate and full details of what was lost, stolen or damaged and give us proof of value and ownership for items claimed if we request it.

When the building is damaged

Allowing us, a repairer or an expert appointed by us, to look at what is damaged is usually all that is needed to prove your loss. Sometimes though we might ask you to produce a copy of the most recent plans and drawings for the building, photographs of the building or other evidence that supports the extent of the loss you have suffered.

If we decide that you are unable to reasonably substantiate your claim, we might reduce or refuse your claim.

How to prove ownership and value

For lost, damaged or stolen items that are no longer available for inspection (e.g. an electrical appliance that is part of the building), you must validate your claim by giving us details of when and where they were purchased and reasonable proof of ownership and value. A statutory declaration is not of itself considered acceptable evidence of proof of ownership and value.

If we decide that you are unable to reasonably substantiate your claim, we might reduce or refuse your claim.

Your excess

What is an excess?

An excess is the amount you have to pay for each incident when you make a claim. Sometimes you might have to pay more than one type of excess. The amount and types of excess are shown on your certificate of insurance and are described in this PDS.

The types of excesses are:

AAMI Flexi-Premium® excess This excess applies to all claims unless your policy states that no excess applies to your claim.

Additional excess In some circumstances, an additional excess may apply based on our assessment of the risk. This excess is payable in addition to any other excess **unless** stated otherwise in this PDS or your certificate of insurance.

Unoccupied excess This excess applies in addition to any other excess, **unless** stated otherwise in the PDS, if, at the time of the incident covered by your policy, the building has been unoccupied for more than **60** continuous days.

When you claim for both building and contents

When both the building and contents at the one insured address are insured with us and your claim is for loss or damage to both arising from the one incident, you must pay whichever is the higher of your AAMI Flexi-Premium® excesses (plus any other applicable excess).

When we may waive your excess

When you make a claim for damage to the building and the incident covered by your policy was caused by another person (but not people within the definition of 'you') and we agree, we may waive the excess that would normally apply if you can give us the name and address of the person responsible for the damage or, if applicable their registration details.

How to pay your excess

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. We may require you to pay the excesses in full before we pay your claim or provide any benefits under your policy. The fact we have asked for payment of your excess does not of itself mean that your claim has or will be accepted by us either in whole or in part.

Refer to the PED Guide for further information

How we settle building claims

If we agree to pay a claim for loss, theft or damage to the building, we will decide if we will:

- repair damage to the building;
- rebuild the building;
- pay you what it would cost us to repair or rebuild the building;
- pay you the building sum insured shown on your certificate of insurance;
Note: This does not apply if you have selected the Complete Replacement Cover® option.
- give you a voucher, store credit or stored value card for the amount it would cost us to repair or rebuild an item.

If we rebuild (or pay you what it would cost us to rebuild), we will do so on a 'new for old' basis.

If we repair (or pay you what it would cost us to repair), we will at our option do so on a 'new for old' basis or repair to a similar condition to what the building was in before the loss or damage occurred.

Unless we tell you otherwise, we will deduct any amounts you owe us from any amount we owe you.

We will not:

- pay more than the relevant sum insured (unless you have the Complete Replacement Cover® option) or policy limit;
- pay extra to repair or rebuild the building to a better standard, specification or quality than it was before the loss or damage occurred **except** as stated in the meaning of 'new for old';
- fix a fault that existed before the loss or damage occurred.

'New for old' means:

- **New materials, new items**
we rebuild or repair with new items or new materials that are available at the time of replacement or repair from Australian suppliers.
- **New for old, regardless of age**
we rebuild or repair regardless of age, with no allowance for depreciation.
- **Same type, standard and specification as when new**
we replace or repair to the same type, standard and specification (but not brand) as when new. If the same is not available, it means of a similar type, standard and specification (but not brand) when new. We can replace with a different brand.

'New for old' does not:

- include paying the extra cost of replacing or purchasing an extended warranty on any item;
- mean of a better standard, specification or quality than when new.

Obsolete electrical appliances

For obsolete electrical appliances that are part of the building, 'new for old' means, replacing or repairing that item to an equal specification (but not brand). If this is not available, it means to the nearest better specification available. It can be a different brand. We do not insure electrical or electronic items that are no longer able to be used for the purpose they were intended.

When we authorise the repair or rebuilding of the building

If we need to source material in order to repair or rebuild the building, we will do our best to obtain new materials that are the same type, standard and specification. If the same is not available, we will use new materials of a similar type, standard and specification that are commercially available and compliant with current building regulations.

We may enter into any building contract with the selected repairer and/or supplier on your behalf. We will oversee the repairs and keep you informed of their progress.

If you decide not to repair or replace the building, or do not commence repair or replacement within **6** months of the date the loss or damage occurred, we will only compensate you for what it would have cost to repair or replace the building at the date of the loss or damage.

When we cannot match materials

**If we cannot find new materials to match undamaged parts,
we will use the closest match available to us.**



**If you are not satisfied with the materials we find as
the closest match before we repair the building:**



If we agree, you can pay the extra cost of replacing undamaged parts of the building to achieve a uniform appearance.



Or we will pay you what it would have cost us to repair or rebuild the damaged part.

Repairing or rebuilding damaged parts

We will only repair or rebuild the parts that are damaged in the incident covered by your policy. You cannot claim to replace undamaged parts of the building to create a uniform appearance, such as when:

- **one garage door is damaged**
we will only replace or repair the damaged one, not other doors.
- **roof tiles are damaged**
we will only replace the damaged ones, not the undamaged tiles, even if the undamaged tiles are faded and do not match the new ones used for repairs.
- **roof sheeting is damaged**
we will only replace the damaged roof sheeting, not the undamaged roof sheeting, even if the closest match available to us is a different shade, colour, finish, material or profile to the undamaged roof sheeting.

- **an external wall is damaged**

we will replace the damaged parts of the wall, not undamaged areas of the wall or other sides of the building.

For the limited circumstances where we will repair or rebuild undamaged parts read the section below.

When we will repair or rebuild undamaged parts

If we cannot match the materials with the undamaged parts, we will pay extra to create a uniform appearance when:

- **wall tiles are damaged**

we will pay up to **\$750** extra for each incident to replace undamaged wall tiles in the same room, stairs, hallway or passageway* so they match or complement new tiles used for repairs.

- **other wall coverings are damaged**

(e.g. paint, wallpaper, wood panels, but not tiles)

we will pay extra to paint, wallpaper or replace undamaged wall coverings in the same room, stairs, hallway or passageway* where the damage occurred.

- **floor coverings are damaged (including tiles)**

we will pay extra to replace continuously joined undamaged floor coverings of the same material in the same room, stairs, hallway or passageway* where the damage occurred.

- **kitchen cabinets, cupboards or benchtops are damaged**

see 'Repairing or replacing kitchen cabinets, cupboards or benchtops' below.

*For the meaning of these terms refer to the diagrams on pages 48 to 49.

Repairing or replacing kitchen cabinets, cupboards or benchtops

We will repair damaged parts of your kitchen

We will repair the damaged parts of your kitchen cabinets, cupboards, or benchtops.

When we will replace undamaged parts of the kitchen

To create a uniform appearance, we will pay extra to replace undamaged parts of the same cabinet, cupboard, or benchtop so that they match the repaired parts.

Same cabinet, cupboard or benchtop means:

- those parts continuously joined to the damaged parts (this is one 'section');
- made out of the same materials; **and**
- on the same level.

See the case study on page 48 for a visual explanation.

Note:

Sometimes replacing the benchtop, door fronts or drawers in the undamaged area is all that is necessary to create a uniform appearance. We will decide what is necessary depending on the circumstances.

Case study

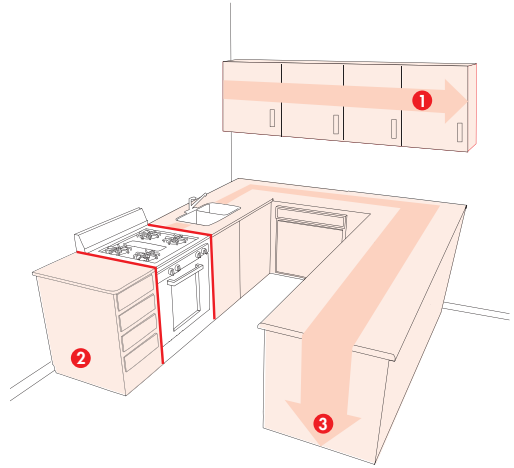
The extent of repairs carried out to match undamaged areas in a kitchen.

To match undamaged areas to the damaged parts, they must be:

- continuously joined; **and**
- on the same level; **and**
- made of the same material.

In this kitchen case study

Areas 1, 2 and 3 will be treated as separate sections. The oven breaks up the bottom level into two sections (e.g. if only section 2 is damaged, we will not pay to replace sections 1 and 3).



What we mean by same room, stairs, hallway or passageway

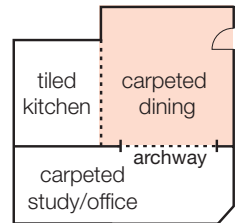
Same room

A room is an area starting and finishing at:

- its nearest walls;
- nearest doorway, archway or similar opening of any width;
- a change in the floor or wall covering.

A hallway next to a room is not the same room, even if it has the same floor or wall covering as the room.

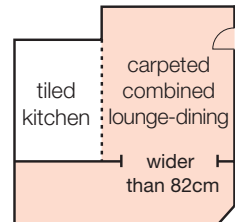
Any archway or similar opening separates a room **unless** it is a combined lounge-dining room (below).



Combined lounge-dining room

We will only combine rooms with a shared doorway, archway or similar opening when:

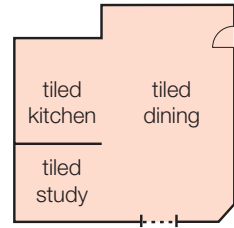
- they are lounge and dining rooms; **and**
- the shared doorway, archway or similar opening is wider than **82cm**; **and**
- the floor or wall covering is the same in both rooms.



Open plan areas

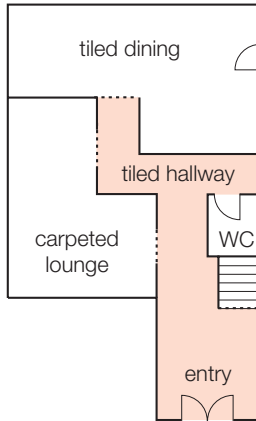
When there is no wall, archway, doorway or similar opening, the room continues until:

- a change in the floor or wall covering;
- the nearest wall, doorway, archway or similar opening.



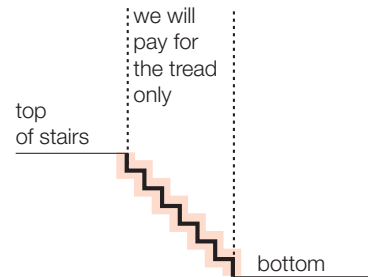
Same passageway or hallway

A passageway or hallway has the same meaning as a room. We will not combine a hallway and a room.



Same stairs

Side view of stairs



Legend

- Shaded areas show the area that we consider the same room, stairs, hallway or passageway.
- Solid lines represent floor to ceiling walls.
- Dotted lines show boundaries of a room or area where there is no physical barrier present (e.g. no wall or door).

Dealing with defects

If a known defect is the cause of the damage

We do not pay for loss or damage caused by a defect, structural fault or design fault at the building that you knew about (or should reasonably have known about) and did not fix before the loss or damage occurred.

If an unknown defect is the cause of the damage

If an incident covered by your policy damages the building and an unknown defect was the cause or part of the cause, we will pay for the resulting damage. If the unknown defective part of the building is also damaged by the same incident, we will fix this as well.

We do not rectify structural or design faults

When we accept a claim, we will not pay extra to rectify a structural or design fault at the building that you knew about (or should reasonably have known about). We will only pay you what it would have cost us to fix the damage from the incident covered by your policy or if we agree, you can pay us the extra amount it costs to rectify the structural or design fault at the building.

If undamaged defective parts of the building will not support repairs

If undamaged defective parts of the building you knew about (or should reasonably have known about) will not support repairing the damage caused by an incident covered by your policy, we will only pay what it would have cost us to repair the damage had the building not been defective.

For known defects or faults

Once you become aware of a defect, structural or design fault at the building, you must rectify it as soon as possible because there is no cover for loss or damage due to that defect. If you do not rectify the defect or fault, you may not be covered or we might not offer a renewal of your policy.

Changes to the building

If you want to change the design of the building

When repairing or rebuilding the building, if we agree, you can choose to change the design of the building or upgrade parts of it, providing you pay the extra costs of doing this. If you want to downsize the building for less cost than you are entitled to claim, we will not pay more than it costs us to rebuild the downsized building.

Choosing to rebuild on another site

If the building is to be rebuilt following an incident covered by your policy you can choose to have the building rebuilt on another site providing you pay any extra costs involved.

Lifetime guarantee on building repairs

When we repair or rebuild the building, we guarantee the quality of materials and workmanship of that work for the lifetime of the building if we:

- authorise;
- arrange; **and**
- pay the builder or repairer directly for this work.

What we guarantee

We guarantee the material used and standard of the workmanship to be free of defects. If a defect arises in the lifetime of the building as a result of poor quality workmanship or use of incorrect materials, then we will rectify the problem. It is a condition of our guarantee that we reserve the right to decide who will undertake the rectification work.

This guarantee does not apply:

- to repairs you authorise or make yourself;
- to loss, damage or failure of any electrical or mechanical appliances or machines;
- to wear and tear consistent with normal gradual deterioration of the building (e.g. paint peeling off after its expected life cycle, wood rotting from moisture in the air or ground, roofs weathering or a hot water tank leaking after its guaranteed life);
- where we agree with a repair quote and we give you, or the builder or repairer, payment for the cost of the repairs and you arrange the repairs.

Other claims information

Potential impact on cover and premiums

If we only pay part of the sum insured to you (or only part of the total cost to repair or rebuild the building if you have the Complete Replacement Cover® option), your policy continues for the period of insurance.

If we pay the full sum insured to you or pay you the total cost to rebuild the building (when you have the Complete Replacement Cover® option), all cover under your building policy stops. There is no refund of premium. If you have been paying your premium by instalments, we will deduct the remaining instalments for the unexpired period of insurance from the amount we pay for the claim.

Salvaged building items

If we replace or compensate you for an item, we then own the damaged or recovered item. If we agree you can keep an item we will determine the salvage value and we can deduct this amount from any payment we make to you.

Our right to recover claims we pay from those responsible

After we pay a claim under your policy, we can decide to take legal action in your name to recover money from the person or entity that caused the loss, damage or liability. You must give us all the help we need to do this. If we recover money that belongs to you and was not part of the claim we paid, we will give this to you.

Refer to the PED Guide for further information

Other Important Information

What happens with cancellations?

Cancellation by you

You may cancel your policy at any time. If you cancel your policy you will be refunded the unexpired portion of the premium, less the cancellation fee and less any non-refundable government charges if the refund is more than **\$10**. See below for the cancellation fee.

Cancellation by us

We can cancel your cover where the law allows us to do so. If we cancel your policy you will be refunded the unexpired portion of the premium, less the cancellation fee and less any non-refundable government charges if the refund is more than **\$10**. If we cancel your policy due to fraud, we will not refund any money to you.

Cancellation fee

Fee	Details
<p>We incur costs in establishing and administering your policy. If you cancel your policy we will charge a cancellation fee on each insured address.</p> <p>A cancellation fee will not apply in some circumstances, including:</p> <ul style="list-style-type: none">• when you are transferring cover to another building policy with us;• if you exercise your cooling off rights (see page 4).	<p>The amount of the cancellation fee is \$30 (plus (if applicable) FSL plus GST plus stamp duty) for all building and contents cover for one insured address.</p> <p>This fee is deducted from any refund we send you. If the refund is less than the fee, a refund will not be issued and we will not charge you an additional amount to cover the difference.</p>

What do we mean by that?

Accidental loss or damage

means loss or damage that occurs without intent.

Actions or movements of the sea

means:

- rises in the level of the ocean or sea;
- sea waves;
- high tides or king tides;
- any other actions or movements of the sea.

Actions or movements of the sea **do not** include a tsunami or storm surge.

Building

see page 14.

Business activity

means:

- any activity specifically undertaken for the purposes of earning an income; **or**
- any activity registered as a business and which you are obliged by law to register for GST purposes.

Certificate of insurance

means the latest certificate of insurance, including the insurance account, we have given you. It is an important document as it shows the covers you have chosen and other policy details.

Common property

means land or areas at the insured address that both you and other people are entitled to use (e.g. common property in a multi-dwelling development).

Complete Replacement Cover®

see page 31.

Contents

means household items used primarily for domestic purposes. Contents are items which are generally not permanently attached to the building.

Event or incident

means a single event, accident or occurrence which you did not intend or expect to happen.

Family

see page 13.

Flood

see page 16.

Insured address

see page 13.

Insured event

means the insured events on pages 16 to 25. In addition, an insured event is always a single event, accident or occurrence which you did not intend or expect to happen.

Loss or damage

means physical loss or physical damage.

PED Guide

see page 4.

Period of insurance

means when your policy starts to when it ends. It is shown on your certificate of insurance.

Policy

means your insurance contract. It consists of this latest PDS and any SPDS we have given you, and your latest certificate of insurance.

Retaining wall

means a wall, which is not part of the building, that holds back or prevents the movement of earth.

Storm

means a storm, cyclone or severe atmospheric disturbance. It can be accompanied by strong winds, rain, lightning, hail, snow or dust.

Storm surge

means a rush of water onshore associated with a low pressure system and caused by strong winds pushing on the ocean's surface.

Sum insured

see page 9.

Unoccupied and occupied

unoccupied means:

- the building is not furnished enough to be lived in; **or**
- no-one is eating, sleeping and living at the building; **or**
- the building is not connected to utilities.

occupied means:

- the building is furnished enough to be lived in; **and**
- someone is eating, sleeping and living at the building; **and**
- the building is connected to utilities.

‘furnished enough to be lived in’ means the building contains at least:

- a bed; **and**
- a clothes and linen storage area; **and**
- an eating table or bench; **and**
- a refrigerator and a cooking appliance.

We, us, our and AAMI

means AAI Limited ABN 48 005 297 807 trading as AAMI.

Well maintained and in good condition

means the building does not have any faults or defects that might cause loss or damage to building, loss or damage to property of others or injury to people. This includes but is not limited to the following:

- the roof does not leak when it rains;
- there are no areas of the roof that are rusted through;
- there is no wood rot, termite or white ant damage to the building;
- there are no holes in floors, walls, ceilings or any other parts of your building (e.g. external wall cladding, internal plaster, floorboards);
- there are no boarded up or broken windows;
- there are no steps, gutters, flooring, walls, ceilings or any other areas of the building that are loose, falling down, missing or rusted through;
- all previous damage including damage caused by flood has been repaired;
- the building is not infested with vermin;
- there are no squatters or unauthorised persons occupying the building.

You/Your

see page 13.

How we will deal with a complaint

If you are not satisfied with our products or services or a decision made in relation to your insurance, please let us know so that we can help. It is important to follow the complaint handling process in order to resolve your complaint effectively and efficiently.

Step 1. Let us know

If you would like to make a complaint, please let us know by contacting the relevant department as they may be able to resolve the complaint for you. If not, the staff member will refer you to a Manager or their delegate and they will attempt to resolve the complaint. A response is usually provided to you within **5** business days. You can contact us:

By phone: 13 22 44

By email: aami@aami.com.au

Step 2. Review by our Internal Dispute Resolution Team

If you are not satisfied with the outcome of the business review you can request the complaint be referred to the Internal Dispute Resolution (IDR) Team for review or you can contact them directly:

By phone: 1300 240 437

By email: idr@aami.com.au

In writing: AAMI Internal Dispute Resolution, PO Box 14180, Melbourne City Mail Centre VIC 8001

If we require additional information we will contact you to discuss. IDR will usually contact you with a decision within **15** business days of receiving your complaint.

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 Financial Ombudsman Service (FOS). FOS is an independent external dispute scheme and their service is free to you. Any decision FOS 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.

FOS is available to customers who fall within their terms of reference. FOS will advise if they can help you.

You can contact FOS:

By phone: 1300 780 808

By fax: (03) 9613 6399

By email: info@fos.org.au

In writing: Financial Ombudsman Service, GPO Box 3, Melbourne VIC 3001

By visiting: www.fos.org.au

Report insurance fraud

Insurance fraud is not a victimless crime. It imposes additional costs on honest policy holders and wastes the valuable resources of our community. This means it affects everyone.

We actively pursue fraudulent and inflated claims in order to keep your premiums as low as possible. Fraudulent claims will be investigated and may be reported to the police.

Help us fight insurance fraud by reporting:

- inflated vehicle or home repair bills;
- staged vehicle or home incidents;
- false or inflated home or vehicle claims;
- home or vehicle fires which may be intentionally started, including by someone known to you.

To report suspected insurance fraud call: **1300 881 725**. Let's work together to reduce the impact of insurance fraud on the community.

General Insurance Code of Practice

We support and adhere to the General Insurance Code of Practice. You can get a copy of the code from the Insurance Council of Australia website (insurancecouncil.com.au) or by phoning **(02) 9253 5100**.

Financial Claims Scheme

This policy may be a 'protected policy' under the Federal Government's Financial Claims Scheme (FCS) which is administered by the Australian Prudential Regulation Authority (APRA).

The FCS only applies in the extremely unlikely event of an insurer becoming insolvent and the Federal Treasurer making a declaration that the FCS will apply to that insurer.

The FCS entitles certain persons, who have valid claims connected with certain protected policies issued by that insurer to be paid certain amounts by APRA.

Information about the FCS can be obtained from APRA at apra.gov.au or by calling **1300 55 88 49**.

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We're here for you
24 hours a day
7 days a week

How to contact us

by phone: **13 22 44**

via the internet: **aami.com.au**

in writing: PO Box 14180,
Melbourne City Mail Centre
Victoria 8001

This insurance is issued by:

AAI Limited

ABN 48 005 297 807

AFSL No. 230859 trading as AAMI

AAMI

