



LANDLORD INSURANCE

Product Disclosure Statement



LUCKY YOU'RE WITH
AAMI



Peace of mind with AAMI

AAMI Landlord Insurance

AAMI Landlord Insurance provides insurance for your rental home and also your landlord contents in a tenanted building.

Flexible options:

- AAMI Landlord Building Insurance with the Complete Replacement Cover® option covers insured damage or loss to the building for the total amount it would cost us to repair or rebuild it. When you have selected the Complete Replacement Cover® option, we repair or rebuild insured damage or loss to the building or pay the cost of repairing or rebuilding to the same size and standard of the current building. Some exclusions apply. Please read this Product Disclosure Statement for full details.
Our Complete Replacement Cover® option is your best protection against underinsurance.
- Tenant Protection optional cover provides cover for loss of rent, theft or damage caused by the tenant or their guests. Limits and exclusions apply. Please read this Product Disclosure Statement for full details.

AAMI Landlord Contents Insurance offers 'New for Old' replacement

We replace with new items or new materials that are available at the time of replacement from Australian suppliers.

AAMI Landlord Insurance offers guaranteed repair quality

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

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.

Contents

Introduction	4
Welcome to AAMI Landlord Insurance	4
Summary of Insured Events	6
Summary of important claims information	8
About your sum insured	9
About your premium	10
Paying your premium	10
Your responsibilities	11
When you need to contact us	12
About your cover	13
Who we cover – You/Your	13
Where we cover – the insured address	13
What we cover as the building	13
What we do not cover as the building	14
The most we will pay for building claims	14
What we cover as your landlord contents	15
What we do not cover as your landlord contents	16
The most we will pay for your landlord contents claims	17
GST	17
What you are covered for – Insured Events	18
Additional features	28
Additional covers	32
Optional covers	34
Legal Liability	39
What we do not cover – general exclusions	42
Claims	48
Making a claim	48
How to establish your loss	50
Your excess	51
How we settle your claim	52
Building claims	54
Landlord contents claims	59
Other claims information	61
Other Important Information	62
What happens with cancellations?	62
Cancellation fee	62
What do we mean by that?	63
How we will deal with a complaint	68
General Insurance Code of Practice	69
Report insurance fraud	69
Financial Claims Scheme	69

Introduction

Welcome to AAMI Landlord Insurance

Why is this document important?

This Product Disclosure Statement (PDS) is an important legal document that contains details of your AAMI Landlord 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 62.

Who is this product designed for?

This product is designed to provide insurance cover for landlords who are owners of tenanted properties. You may choose to cover your landlord contents in your tenanted property or unit.

This product does not provide cover to any portion of your unit which is legally part of a strata title 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 42 to 47.

Joint policyholders

When you insure the building and your landlord contents 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 63 to 67.

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 18 to 27 and 'What we do not cover – general exclusions' on pages 42 to 47 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 18

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 20

Lightning

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

More details page 21

Fire

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

More details page 21

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 22

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 22

Theft or Burglary

But we do not cover loss or damage caused by tenants or their guests.

More details page 22

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 23

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 24

Impact

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

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

More details page 25

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 26

Explosion

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

More details page 26

Riot, civil commotion or public disturbance

But we do not cover damage caused by tenants or their guests.

More details page 27

Malicious acts and vandalism

But we do not cover loss or damage by tenants or their guests.

More details page 27

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 48 to 61.

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 48

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 50

Proof of ownership

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

More details page 50

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 51

How claims are settled

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

Some items, for example paintings, cannot be replaced and we explain how we will settle claims for such items in this PDS.

More details page 52

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® for the building.

Note:

This section 'About your sum insured' does not apply if you have 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.

This section 'About your sum insured' does apply in respect of any landlord contents cover you have.

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 your 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 and your landlord contents are insured for their 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.

To help you calculate the replacement value of your landlord contents, we provide a 'Home Contents Calculator' that you can access at our website, aami.com.au.

Review your sums insured regularly

You need to ensure that your sums insured are sufficient when you first insure the building and your landlord contents and each time you renew your policy. To ensure your sums insured are adequate it is important to review them regularly, being mindful of items purchased recently and ask us to change the sums insured when required.

If you over-insure

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

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 or replace or repair your landlord contents and may choose to adjust the building and your landlord contents sums 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 and your landlord contents sums insured are 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 your sum insured, we use many factors about you and the building and your landlord contents 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 the 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 or unit and any landlord contents 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 63 to 67;
- take all reasonable care to prevent theft, loss, damage or legal liability;
- follow all 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 or unit will be unoccupied for more than 60 days

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

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

If you have to pay an 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 51.

When you need to contact us

You must contact us when:

- you or your agent become aware your tenant starts to operate or intends to operate a business activity at the insured address;
- you or your agent become aware of changes to any business activity operated at the insured address, such as:
 - the type of business activity changes;
 - people start to come to the insured address;
 - business signage is installed;
 - storage of chemicals for the business activity occurs.
- 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 intend to demolish the building, have lodged an application to do this, or a government authority has issued a demolition order;
- trespassers (squatters) occupy the insured address;
- 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.

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

- any company, trustee or body corporate; **and**
- any company director, company owner or trust beneficiary of that company, trustee or body corporate.

Where we cover – the insured address

We cover the building and your landlord contents 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 used by tenants 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 (limit applies) 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 you own 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 or unit;

- 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 **but only** when kept in a locked and secured building at the insured address.

What we do not cover as the building

The building does not include:

- anything defined as your landlord 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 incident
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 or relevant policy limit.

If you have chosen the Complete Replacement Cover® option (see page 34) 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 on page 14 do not apply if you have the Complete Replacement Cover® option.

What we cover as your landlord contents

Your landlord contents means unfixd household goods and furnishings that you own or are legally responsible for and which are at the insured address for your tenant's domestic or residential use such as:

- carpet and rugs (fixed and unfixd);
- internal blinds and curtains;
- manchester and linen;
- furniture and furnishings;
- paintings, pictures, works of art, antiques, sculptures and art objects;
- TVs, stereos, VCR and DVD players and non-portable entertainment systems;
- portable heaters and vacuum cleaners;
- cutlery, crockery and kitchenware;
- household tools and gardening equipment including ride-on mowers;
- washing machines, dryers, refrigerators and mobile dishwashers;
- plants in pots;
- inflatable or portable swimming pools and spas and their accessories.

If your landlord contents are insured in a unit

Landlord contents also includes the fittings in a unit if the fittings are not legally part of the building according to the relevant state law. The fittings included are limited by law, and depending on the location of the unit could be:

- lino installed in the unit, whether permanently attached or not;
- floating wooden floors;
- air conditioners and spas for the sole use of the tenants of the unit;
- wall paint and paper if your unit is located in New South Wales.

We will not cover any item which is legally part of a unit according to the relevant state law.

What we do not cover as your landlord contents

Your landlord contents does not include:

- personal effects and valuables designed to be worn or carried by a person such as:
 - footwear, baggage, handbags, wallets, furs;
 - jewellery, watches, clothing.
- valuable items such as:
 - cash, smart cards, phone cards, documents able to be cashed or traded, vouchers, money orders or stamps;
 - medals, collections or memorabilia;
 - items made of, or plated with, gold or silver;
 - precious stones.
- musical instruments and sporting or recreational equipment (including bicycles and firearms);
- portable battery operated appliances such as: tablets, cameras, mobile phones, iPods, MP3 players;
- recorded, saved or stored audio, video, data or media. This includes the device, object or place where they are recorded, saved or stored;
- computers (see meaning on page 64) and their printers or software;
- electrical and gas appliances, light fittings, alarm systems permanently connected or plumbed to the electricity or gas supply;
- dishwashers housed in a cabinet;
- lawns, trees, shrubs, plants, hedges;
- fixed swimming pools or spas and their accessories;
- water in tanks, swimming pools, spas or any other water container;
- animals, including fish, reptiles, pets and livestock;
- business equipment;
- unfixed home building materials and uninstalled home fittings;
- loose or compacted soil, earth, gravel, pebbles, rocks or granular rubber (e.g. sand on tennis courts or gravel driveways);
- motor vehicles, motorcycles, mini-motorcycles or motorised bicycles, watercraft, aircraft, or any accessories for these vehicles or craft;
- caravans, mobile homes or any of their contents;
- any item forming part of the building for insurance purposes or which is legally part of a unit building;
- contents in storage at the insured address which are not for the tenant's use.

The most we will pay for your landlord contents claims

If we accept your claim the most we will pay for the loss or damage to all contents arising from any one insured event is your landlord contents sum insured shown on the certificate of insurance.

There are also limits that apply to individual content items or types of items. These limits are set out in the table below 'Contents with fixed limits'.

Contents with fixed limits

The following table lists contents that have fixed limits that cannot be changed and these limits are the most we will pay for those contents items.

Item	Limits for any one insured incident
Paintings, pictures, works of art, antiques, sculptures and art objects	Up to \$1,000 for each item or set, up to \$5,000 in total
Carpet or rugs that are hand woven	Up to \$1,000 per carpet or rug
Contents in the open air	Up to a total of 20% of your landlord contents sum insured

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

If you have a building insurance policy, we cover the building for loss or damage at the insured address caused by an insured event during the period of insurance.

If you have a landlord contents insurance policy, we cover your landlord contents 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 18 to 27 and in the 'What we do not cover – general exclusions' on pages 42 to 47.

Flood

We cover

Loss or damage 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.

We do not cover

- loss or damage caused by flood if you do not have flood cover. Your certificate of insurance will show whether you have 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;
-

Flood (cont'd)

We cover

When both the building and your landlord 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 the building and your landlord contents.

We do not cover

- loss or damage to swimming pools or underground tanks caused by water leaking down the sides, against the sides or getting underneath them;
 - 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 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 or your landlord contents at the insured address.
-

Storm

We cover

Loss or damage caused by a storm.

We do not cover

- loss or damage caused by flood;
 - loss or damage 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 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 loss or damage occurred;
 - the cost of cleaning the building or your landlord contents at the insured address.
-

Lightning

We cover

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

We do not cover

Loss or damage arising from:

- heat, ash, soot and smoke when the building or your landlord contents 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 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 63.
- 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 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 caused by thieves or burglars who are not your tenants or their guests.

We do not cover

Loss or damage caused by:

- you; **or**
 - your tenants or their guests. You can purchase some cover for loss or damage caused by tenants or their guests under the 'Tenant Protection' optional cover (see page 35).
-

Accidental breakage of glass

We cover

When you have building 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.

When you have landlord contents cover

Accidental breakage of:

- glass that forms part of the furnishings at the insured address for the tenant's use;
- fitted glass in furniture and unfixd hung mirrors.

Replacing glass

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

We do not cover

When you have building 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 or your landlord contents;
- any loss or damage if the breakage does not extend through the entire thickness of the damaged item (e.g. chips or scratches).

When you have landlord contents cover

- any accidental breakage which has occurred while the items are outside the building;
- drinking glasses and any glass or crystal items normally carried by hand;
- any hand held mirrors;
- the screen or glass of any television set or other type of visual or audio electronic device;
- glass that is part of a vase, decanter, jug, fishbowl, ornament or light globe;
- the cost to remove broken glass from carpets or other parts of the building or landlord contents;
- any loss or damage if the breakage does not extend through the entire thickness of the damaged item (e.g. chips or scratches).

Escape of liquid

We cover

Loss or damage 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 and your landlord contents 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 leak is not covered under insured event 'Escape of liquid''. See page 33.

If we pay for damage or exploratory costs under this insured event, we will also pay up to **\$750** extra to match or complement undamaged wall tiles in the same room, hallway, stairs or passageway* where the damage occurred.

*See pages 56 to 57.

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 a plant pot, vase, terrarium, fishbowl, 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.
-

Impact

We cover

Loss or damage 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 or your landlord contents;
 - 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 caused by an animal.

We do not cover

Loss or damage caused by:

- any animal owned by or in the custody of you, your tenant, or someone who is at the insured address with your consent or the consent of the tenant;
 - insects, vermin or rodents, **but we will cover** damage they cause if it is covered under the following insured events:
 - ‘Fire’ (see page 21);
 - ‘Escape of liquid’ (see page 24).
 - animals pecking, biting, clawing, scratching, tearing or chewing the building or landlord contents, or damage caused by their urine or excrement. **But we will cover** damage caused by an animal (**except** insects, vermin or rodents) which becomes accidentally trapped inside the insured address and which does not belong to you or anyone living at the insured address.
-

Explosion

We cover

Loss or damage 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 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 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 your tenants or their guests.

You can purchase some cover for loss or damage caused by tenants or their guests under the 'Tenant Protection' optional cover (see page 35).

Malicious acts and vandalism

We cover

Loss or damage caused by malicious acts or vandalism by people who are not your tenants or their guests.

We do not cover

Loss or damage caused by you or your tenants or their guests.

You can purchase some cover for loss or damage caused by tenants or their guests under the 'Tenant Protection' optional cover (see page 35).

Refer to the PED Guide for further information

Additional features

If we accept your claim for loss or damage to the building or your landlord contents 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 and your landlord contents 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 28 to 31 and in the 'What we do not cover – general exclusions' on pages 42 to 47. All of the conditions of this policy apply to these additional features unless the cover says otherwise.

Loss of rent following an insured event

We cover

When you have building cover

If we accept your claim for loss or damage to the building due to an insured event occurring during the period of insurance and we agree it cannot be lived in, we will pay the weekly rental amount for the reasonable amount of time we decide it should take to repair or rebuild the building so it can be lived in again.

When you have landlord contents cover in a unit

If we accept your claim for loss or damage to your landlord contents due to an insured event occurring during the period of insurance and the insured address is a unit and we agree the insured address cannot be lived in, we will pay the weekly rental amount for the reasonable amount of time we decide it should take to repair or rebuild the unit so it can be lived in again.

Limit

The longest period we will pay for one event is **52** weeks and the most we will pay in total is:

- **\$25,000** if you have building cover; or
- the lesser of **\$25,000** or your landlord contents sum insured if you do not have building cover.

We do not cover

- loss of rent:
 - if you do not intend to repair or replace the building, unit or your landlord contents;
 - if the tenant still has an obligation to pay the rent;
 - once the insured address is able to be lived in again;
 - if you have made a claim for the same event under optional cover 'Loss of rent – tenant default';
 - if the insured address was not occupied by a paying tenant at the time the loss or damage occurred. **But we will** provide cover if we decide it would have been rented, and you give us evidence of this, during the time taken to repair, replace or rebuild the property or unit.
- any amounts you are able to recover for loss of rent under another insurance policy including any insurance policy taken out by a body corporate or similar entity.

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 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 34) in which case we pay the reasonable and necessary costs.

We do not cover

The costs 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 building regulations and laws;
- making the building comply with building regulations and laws that existed but were not complied with when the building was originally built or altered.

Removal of debris

We cover

When you have building cover

The reasonable and necessary costs of:

- demolishing and removing the damaged parts of the building from the insured address;
- removing 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 the Complete Replacement Cover[®] option (see page 34), in which case we pay the reasonable and necessary costs.

When you have landlord contents cover

The reasonable and necessary costs to dispose of the damaged landlord contents.

Limit

The most we will pay for any one event is **10%** of your landlord contents sum insured.

We do not cover

When you have building 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.

When you have landlord contents cover

Disposal, storage or removal of anything that is not defined as your landlord contents.

Storage of undamaged landlord contents

We cover

If you make a claim for loss or damage to your landlord contents due to an insured event, and we agree that the undamaged contents cannot be kept at the insured address, we will also pay the reasonable cost to store the undamaged landlord contents until your landlord contents can be kept at the insured address.

The most we will pay for the storage of undamaged landlord contents is **10%** of your landlord contents sum insured.

Note:

We will pay for any loss or damage to the undamaged landlord contents caused by an insured event while they are at the place of storage **but only** up to your landlord contents sum insured shown on your certificate of insurance (less any amount paid for loss or damage to your landlord contents as part of the original claim). This cover stops when your policy is cancelled, lapses or we stop paying for storage, whichever happens first. All the conditions, limits and exclusions of this policy apply to this cover.

We do not cover

- storage costs following loss or damage by flood, or damage caused by flood whilst in storage if you do not have cover for the insured event 'Flood';
- storage costs once we decide your landlord contents could be returned to the insured address;
- storage costs outside of Australia;
- loss or damage that is excluded by this policy.

Mortgagee discharge costs

We cover

If you have building cover and we pay a claim for the building to a credit provider that fully repays the building loan, then we will pay the administrative and legal costs of:

- discharging the mortgage;
- removing the mortgagee from the land title on your property.

The most we will pay for this additional feature in any one period of insurance is **\$1,000**.

We do not cover

- penalty interest rate changes or early loan repayment charges imposed on you by the credit provider.

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 or landlord contents.

The cover provided is shown in the 'We cover' section of the following tables on pages 32 to 33. 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 32 to 33 and in the 'What we do not cover – general exclusions' on pages 42 to 47. All 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 if you have building cover;
- landlord contents if you have landlord contents cover;

and are 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;
- loss or damage to a refrigerator or freezer caused by spoiled food.

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

We cover

If you have building 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 55 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 covers

You can ask us to add one or more of the following optional covers to your policy. Normally, an extra premium is payable. If you have an optional cover, that option will be shown on your certificate of insurance and the cover provided is as shown in the 'We cover' section of the following tables on pages 34 to 38.

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 34 to 38 and in the 'What we do not cover – general exclusions' on pages 42 to 47. All the conditions of this policy apply to optional covers unless the cover says otherwise.

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. 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 the 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.

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.
-

Tenant Protection

The Tenant Protection optional cover has **four** benefits:

- Loss of rent – tenant default;
- Theft or burglary by tenants or their guests;
- Malicious acts or vandalism by tenants or their guests;
- Replacement of locks.

If you have made a claim against any of the following three benefits:

- Loss of rent – tenant default;
- Theft or burglary by tenants or their guests;
- Malicious acts or vandalism by tenants or their guests;

we will not pay a second or subsequent claim under the Tenant Protection option in respect of the same tenant* in the same period of insurance.

*‘Same tenant’ means that at least one common person was usually residing at the insured address when the incidents giving rise to the claims occurred.

Excesses

When claiming for one or more benefits under this Tenant Protection option, your AAMI Flexi-Premium excess applies. If you have both building and landlord contents cover, the higher AAMI Flexi-Premium excess applies.

In addition if you make a claim under the Tenant Protection option against one or any of the following benefits:

- Loss of rent – tenant default (except for death of a sole tenant);
- Theft or burglary by tenants or their guests;
- Malicious damage or vandalism by tenants or their guests;

then we will deduct an amount equal to four (**4**) times the weekly rental amount from the overall amount payable.

Loss of rent – tenant default

We cover

1. If your tenant stops paying the weekly rental amount during the term of your written rental agreement, or periodic rental agreement, and during the period of insurance **but does not leave**, we will pay the weekly rental amount for a period:
 - up to **15** weeks if you have a written rental agreement; **or**
 - up to **2** weeks if you have a periodic rental agreement.

We do not cover

Loss of rent if:

- we have paid a previous claim under this cover in respect of the same tenant in the same period of insurance;
- you do not have a rental agreement in place;
- you have not taken all reasonable steps legally available to you under the Residential Tenancies Act, or other relevant State or Territory legislation, to remedy non-payment and/or evict the tenant;

We will deduct from your claim any amount paid to you as rent. The most we will pay in total under this benefit is **\$6,000**. Cover stops when the tenant is no longer in rent arrears.

Loss of rent – tenant default (cont'd)

We cover

2. If your tenant permanently leaves during the period of insurance without giving you written or verbal notice as required under your written rental agreement or periodic rental agreement, we will pay the weekly rental amount if it is not paid to you for a period:
 - up to **15** weeks for a written rental agreement or until the date of the new rental agreement (whichever happens first);
or
 - up to **2** weeks for a periodic rental agreement or until the date of a new rental agreement (whichever happens first).

We will deduct from your claim any amount paid to you as rent. The most we will pay in total under this benefit is **\$6,000**.

3. If your tenant is a sole tenant and that person dies during the period of insurance and before the end of their tenancy we will pay the weekly rental amount from the date of their death or the date the rent is paid up to (whichever is the later date) for up to **2** weeks.

We will not pay if the sole tenant had given you or your agent notice in accordance with the written rental agreement or periodic rental agreement prior to their death.

4. If your written rental agreement is legally terminated by a Residential Tenancies Tribunal or another relevant authority on the grounds of hardship on the part of the tenant during the period of insurance, we will pay the weekly rental amount from the date the termination order takes effect for up to a further **4** weeks or until you secure a new tenant, whichever happens first.

We do not cover

- the tenant has not breached your rental agreement;
- the written rental agreement could have been legally terminated by you;
- the rent was in arrears when you took out this policy;
- you have made a claim under 'Loss of rent following an insured event' for the same incident;
- you do not actively seek a new tenant.

Note: 'Same tenant' means at least one common person was usually residing at the insured address both times the rent ceased being paid.

Theft or burglary by tenants or their guests

We cover

Loss or damage to the building or your landlord contents caused by theft or burglary by your tenants or their guests during the period of insurance less an amount equal to four (4) times the weekly rental amount.

Limit

The most we will pay per period of insurance under this 'Theft or burglary by tenants or their guests' section of this optional cover is:

- **\$20,000** if you have building cover; **or**
- the lesser of **\$20,000** or your landlord contents sum insured if you do not have building cover.

We do not cover

- loss or damage when we have accepted a previous claim under this cover in relation to the same tenant in the same period of insurance;
- loss or damage to the building if you do not have building cover or to landlord contents if you do not have landlord contents cover.

Note: 'Same tenant' means that at least one common person was usually residing at the insured address when the incidents giving rise to the claims occurred.

Malicious acts or vandalism by tenants or their guests

We cover

Loss or damage to the building or your landlord contents caused by malicious acts or vandalism by your tenants or their guests during the period of insurance less an amount equal to four (4) times the weekly rental amount.

Limit

The most we will pay per period of insurance under this 'Malicious acts or vandalism by tenants or their guests' section of this optional cover is:

- **\$30,000** if you have building cover; **or**
- the lesser of **\$30,000** or your landlord contents sum insured if you do not have building cover.

We do not cover

- accidental or unintended loss or damage;
- loss or damage to the building if you do not have building cover or to landlord contents if you do not have landlord contents cover;
- the cost of cleaning, repairing or restoring the building or landlord contents caused by neglect, or untidy, unclean or unhygienic habits of the tenant or their guests, such as the cost of cleaning, repairing or removing:
 - liquid (including urine) or food stains;
 - odours;
 - abandoned items or rubbish;
 - drawing or painting on walls;
 - water damage and stains from over-watering plants;
 - water damaged carpets, flooring, cupboards or vanity units caused by water splashing from showers, sinks or baths.
- loss or damage when we have accepted a previous claim under this cover in respect of the same tenant.

Note: 'Same tenant' means that at least one common person was usually residing at the insured address when the incidents giving rise to the claims occurred.

Replacement of locks

We cover

If you have building or landlord contents cover, we will cover the costs of rekeying or replacing (whichever is the lesser) keys, locks and cylinders on external doors and windows, and replacing remote control garage opening devices of the insured address if your tenant:

- leaves the insured address before the end of the rental period stated in your written rental agreement without giving you or your agent the notice required by the written rental agreement;

or

- is legally evicted from the insured address;

during the period of insurance and the tenant has not returned the keys or remote control garage opening device to you or your agent.

Limit

The most we will pay for any one incident is **\$800** in total.

We do not cover

The cost of the replacement of spare sets of keys.

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.

Building legal liability

If you have building cover 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 your ownership of the building; **and**
- at the insured address.

Landlord contents legal liability

If you have landlord contents cover 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 the unit or landlord contents at the insured address; **and**
- in the unit or in the common property 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

using or owning any aircraft.

Animals

any animal including a domestic dog, cat or horse belonging to either you or your tenant.

Asbestos

exposure to or potential exposure to asbestos in any form.

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, **unless** this income is from the residential tenancy of the insured address or part of the insured address.

Caravans and trailers

using or owning 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 with you in your usual place of residence **unless** the person is:
 - a tenant of the building or unit and not a person under **18** who is:
 - your child; **or**
 - the child of your spouse, de facto or partner.

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 that 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 the vehicle was:

- being used for domestic gardening (e.g. ride on mowers); **and**
- did not require compulsory third party insurance.

Property owned by you or property in your physical or legal custody

loss or damage to property which:

- is owned by you or your family;
- belongs to someone else and is in your physical or legal custody or control.

Watercraft

using or owning any 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 the 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 or landlord contents.

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.

Building extensions, alterations or renovations

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

- damage caused by cracking, collapse, subsidence or damage to the building or your landlord contents caused fully or partially by the building work;
- damage caused by storm, flood or water entering the building or unit through openings in the walls or roof or other unfinished parts of the building or unit 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 or unit;
- malicious damage or vandalism to unfinished parts of the building or unit.

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 unit; **or**
- that another policy covering the building or landlord contents 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).

Computer virus or computer hacking

a computer virus or hacking.

Confiscation or damage by a legal authority

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

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

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

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

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

- loss of rent **except** as expressly covered by this PDS;
- loss of income or wages;
- medical expenses;
- loss or costs, including the loss of or cost of your time (e.g. inconvenience), to prove your loss or to help us with your claim (e.g. telephone calls, postage) **except** as expressly covered by this PDS;
- 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;
- travel costs;
- cleaning costs;
- loss or costs related to stress or anxiety;
- any loss or 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

any act, by you or someone acting with your given or implied consent that:

- 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 your landlord contents

your failure to:

- take reasonable care of the building or unit and your landlord contents;
- keep the building or unit and your landlord 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 63 to 67;
- fix faults and defects as soon as you or your agent 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'.

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 and your landlord contents 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 additional cover 'Motor burnout'.

Medical equipment and aids

any medical equipment, item or aid.

Not complying with building regulations

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

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

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

Photographs, electronic data and images

repairing, replacing or fixing:

- electronic data or files that are corrupted, damaged or lost, including software, photographs, films, music or other visual images or audio files stored electronically or on any other medium, **unless**:
 - the device they were stored on is lost or damaged by an insured event; **and**
 - the electronic data or files were legally purchased and you cannot restore them free of charge.
- hard copies of photographs, films or other visual images that are damaged or lost, **but we will cover** the cost of reproducing hard copy photographs you have purchased from, or had produced by, a professional photographic business or retail outlet.

Power surge

power surge, **unless** the surge or 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 the building or your landlord contents caused by:

- liquid leaking or overflowing from pipes or drains that are blocked or damaged by these roots to the extent that 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 or 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'.

Structural improvement of units

- structural improvements owned by your body corporate or equivalent body;
- structural improvements located on common property.

Tree lopping

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

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 adhesives 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 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 broken window, storm damage or a list of stolen items).

Note: If the damage to the building or your landlord contents 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 also must 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 under this policy we can decide to defend you, settle any claim against you or represent you at an inquest, official enquiry 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 has been settled.

For more details on 'Legal Liability' cover see pages 39 to 41.

To process the claim you must

- allow us to inspect the damaged building and/or landlord contents;
- allow us to arrange for experts to assess the damaged building and/or landlord contents 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) as we may reasonably require;
- allow us, or a person nominated by us, to recover, salvage or take possession of the building and/or landlord contents. 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 damaged parts or items of the building or your landlord contents 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 or landlord contents;
- 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 or landlord contents. 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 or your landlord contents are 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. For valuable and badly damaged items, we may ask you to provide proof of ownership and value.

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, you must validate your claim by giving us details of when and where they were purchased and reasonable proof of ownership and value.

We will decide what is reasonable proof of ownership and value depending on what you are claiming for, how old they are and their value. A statutory declaration is not of itself considered acceptable evidence of proof of ownership and value.

If you are unable to reasonably substantiate your claim, we can 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 or 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 property or unit has been unoccupied for more than **60** continuous days.

When you claim for both building and your landlord contents

When both the building and your landlord 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 or your landlord contents and the incident covered by your policy was caused by another person (not the tenant, or their guest) and we agree, we may waive the excess that would normally apply if you 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 your claim

We choose 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 repair 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 choose how we settle your landlord contents claims

If we agree to pay a claim for loss, theft or damage to your landlord contents, we will decide if we will:

- repair damage to your landlord contents;
- replace your landlord contents 'new for old';
- pay you what it would cost us to repair or replace your landlord contents;
- pay you the sum insured for your landlord contents;
- give you a voucher, store credit or stored value card for the amount it would cost us to repair or replace your landlord contents.

If we replace (or pay you what it would cost us to replace), 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 repair on a 'new for old' basis or to a similar condition to what your landlord contents were 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 Building Complete Replacement Cover® option) or policy limit;
- pay extra to replace the building or landlord contents to a better standard, specification or quality than they were before the loss or damage occurred **except** as stated in the meaning 'new for old';
- fix a fault that existed before the loss or damage occurred.

'New for old' means:

- we rebuild, replace or repair with new items or new materials that are available at the time of replacement or repair from Australian suppliers.
- we rebuild, replace or repair new for old regardless of age, with no allowance for depreciation.

For example, a leather lounge which was purchased **5** years ago for **\$5,000** and now worth **\$2,000**, will be replaced with a brand new leather lounge equivalent to your old lounge when it was new. Cover is not limited to **\$2,000**.

- 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.

When items may be replaced to a better standard

Obsolete electrical appliances

For obsolete electrical appliances such as outdated dishwashers or air conditioners 'new for old' means replacing or repairing 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 items cannot be replaced 'new for old'

For these items (such as paintings, pictures and works of art), 'new for old' means that if the item cannot be replaced 'new for old' or repaired, we will pay you what it would have cost to buy the item immediately before the loss or damage occurred, up to the relevant limit.

Building claims

This section relates specifically to a claim made on the building policy and is in addition to the information in 'How we settle your claim' on pages 52 to 53.

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 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 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 new materials with the undamaged parts, we will only 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 56 to 57.

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 56 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

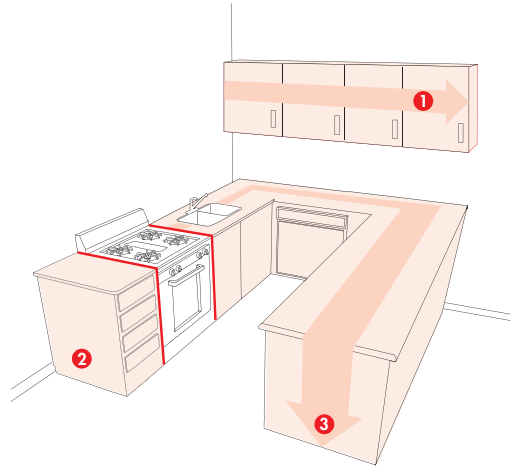
The extent of repairs carried out to match undamaged areas in a kitchen.

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

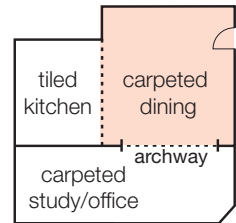
Same room

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.

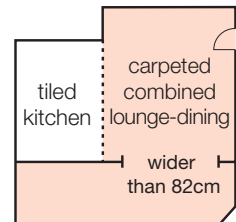
Any archway or similar opening separates a room **unless** it is a combined lounge-dining room (below).



Combined lounge-dining room

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

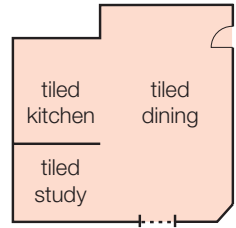
- they are lounge and dining rooms; **and**
- the shared doorway, archway or similar opening is wider than **82cm**; **and**
- the floor or wall covering is the same in both rooms.



Open plan areas

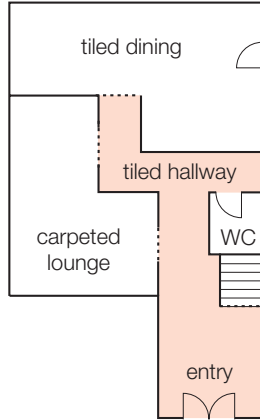
When there is no wall, archway, doorway or similar opening, the room continues until:

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



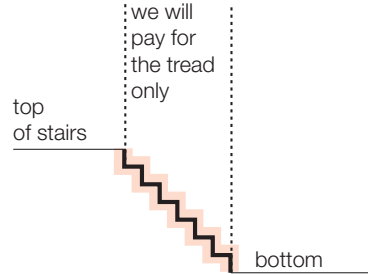
Same passageway or hallway

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 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 landlord 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.

Landlord contents claims

This section relates specifically to a claim made on your landlord contents policy and is in addition to the information in 'How we settle your claim' on pages 52 to 53.

When we repair or replace your landlord contents

If we choose to repair damage to your landlord contents or replace your landlord contents, we will repair or replace with items or materials that are reasonably available at the time of repair or replacement from Australian suppliers.

We will do our best to replace to the same type, standard and specification (but not brand) as when new. If the same is not available, we will replace with items or materials of a similar type, standard and specification when new. It can be a different brand.

When we cannot match materials

If we cannot find a contents item match we will use the closest match reasonably available to us.



If you are not satisfied with what we choose before we repair your landlord contents:



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



Or we will pay you what it would have cost us, but only if we agree to this.

Items that form part of a set or collection

We will only repair or replace your landlord contents that are lost or damaged by an incident covered by your policy. You cannot claim to replace undamaged parts of your landlord contents (e.g. when a lounge chair which is part of a suite is damaged beyond repair. We will pay to replace that chair, not the whole lounge suite).

When we will repair or replace undamaged landlord contents

We will only repair or replace your landlord contents that are lost or damaged by an incident covered by your policy. You cannot claim to replace undamaged landlord contents or undamaged parts of your landlord contents.

But there are limited circumstances where we will repair undamaged parts of your landlord contents to create a uniform appearance, when:

- **internal blinds and curtains**

if we can't match the new material or parts with the undamaged ones, if necessary, we will pay extra to replace undamaged blinds and curtains in the same room, stairs, hallway or passageway* where the damage occurred.

- **carpets or other floor coverings**

if we can't match the new material or parts with the undamaged ones, if necessary, we will pay extra to replace undamaged floor carpets and other coverings in the same room, stairs, hallway or passageway* where the damage occurred.

*See pages 56 to 57 for 'What we mean by same room, stairs, hallway or passageway'.

If you want to change your landlord contents

When repairing or replacing your landlord contents, if we agree, you can choose to change the make and model of your landlord contents item or upgrade to a different make and model of it, providing you pay the extra costs of doing this. If you want to downsize your landlord contents item for less cost than you are entitled to claim, we will not pay more than it costs us to repair or replace the downsized landlord contents item.

Lifetime guarantee on repairs

When we repair your landlord contents, we guarantee the quality of materials and workmanship of that work for the lifetime of your landlord contents if we:

- authorise;
- arrange; **and**
- pay the 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 your landlord contents 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 appliance or machines;
- to wear and tear consistent with normal gradual deterioration of your landlord contents (e.g. paint peeling off after its expected life cycle);
- where we agree with a repair quote and we give you, or the repairer, payment for the cost of the repairs and you arrange the repairs.

Other claims information

Potential impact on cover and premiums

After a building claim

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 Building 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 the building policy stops. There is no refund of premium. If you have been paying your premium by instalments, we will deduct the remaining instalment premiums for the unexpired period of insurance from the amount we pay for the claim.

After a landlord contents claim

If we pay part of, or the full, landlord contents sum insured, your landlord contents sum insured is automatically reinstated and cover continues for the period of insurance at no extra cost. You may need to change your insured address. You should reassess your landlord contents sum insured. There is no refund of premium if you reduce your sum insured by the amount of your claim.

Salvaged building and contents 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 this policy, we can decide to take legal action in your name to recover money from the person or entity that caused 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 this 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 property;• 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 landlord contents cover for one insured address.</p> <p>This fee is deducted from any refund we give 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.

Agent

means someone who acts on your behalf to arrange and manage the rental of the building, including the collection of rent.

Building

see pages 13 to 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.

It does not mean the tenancy of the building or unit.

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 34.

Computer

means an electronic digital device that stores, retrieves and processes data and can be programmed with instructions. It includes devices such as PC, laptop, electronic notebook and a PDA. A computer is composed of hardware and software, including:

- CPU;
- monitor;
- processor;
- hard drive;
- keyboard and mouse.

Event or incident

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

Flood

see page 18.

Guest

means any person invited onto the insured address by the tenant for social or entertainment purposes.

Insured address

see page 13.

Insured events

means the insured events on pages 18 to 27. In addition, an insured event is always a single event, accident or occurrence which you did not intend or expect to happen.

Landlord contents

see page 15.

Loss or damage

means physical loss or physical damage.

Malicious acts and/or vandalism

means deliberately harmful acts or omissions. It does **not** mean accidental, reckless or negligent acts or omissions.

Open air

means any area of the insured address not able to be enclosed on all sides and secured in such a way as to prevent access **except** by violent force.

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.

Periodic rental agreement

means the agreement that applies when a tenant continues to occupy the insured address after a written rental agreement for the insured address has expired, and a notice to leave, notice of intention to leave or abandonment notice has not been given by the tenant to you or your agent, or by you or your agent to the tenant.

Policy

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

Rental agreement

means a written rental agreement or a periodic rental agreement.

Retaining wall

means a wall, which is not part of the residential 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 cause by strong winds pushing on the ocean's surface.

Strata title

means any form of land title which allows for multiple titles to exist in or on a block of land where the common property is held under a single separate title.

Sum insured

see page 9.

Tenant

means the person or persons who have been granted the right to occupy the insured address under the rental agreement and includes any other person who usually resides at the insured address.

Unit

means the unit, villa, townhouse or apartment in a strata title development. It does not include common property.

Unoccupied and occupied

unoccupied means:

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

occupied means:

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

‘furnished enough to be lived in’ means the building or unit 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, our, us and AAMI®

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

Weekly rental amount

means the lesser of the:

- weekly rent payable under your rental agreement; **or**
- amount a tenant would have paid immediately before the insured event, assessed by a suitably qualified person agreed to by us, if the insured address was not tenanted at the time the loss or damage occurred;

less agent’s commission and fees.

Well maintained and in good condition

means the building or unit and landlord contents do not have any faults or defects that might cause loss or damage to the building and landlord contents, 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 or unit;
- there are no holes in floors, walls, ceilings or any other parts of the building or unit (e.g. external wall cladding, internal plaster, floorboards);

- there are no boarded up or broken windows;
- there are no steps, gutters, flooring, walls, ceiling or any other areas of the building or unit that are loose, falling down, missing or rusted through;
- all previous damage including damage caused by flood has been repaired;
- the building or unit is not infested with vermin;
- there are no squatters or unauthorised persons occupying the building or unit.

Written rental agreement

means a current and valid written agreement for the insured address between you (or your agent) and your tenant that:

- complies with the requirements specified in the relevant residential tenancy legislation (or its equivalent); **and**
- includes the following minimum requirements – a start and finish date, a minimum duration, the amount of rent payable, the bond that the tenant is required to pay and the notice to leave requirements.

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

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**.

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.

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

