

Form G
Commonwealth of Australia
Competition and Consumer Act 2010 — subsection 93 (1)
NOTIFICATION OF EXCLUSIVE DEALING

To the Australian Competition and Consumer Commission:

Notice is hereby given, in accordance with subsection 93 (1) of the *Competition and Consumer Act 2010*, of particulars of conduct or of proposed conduct of a kind referred to subsections 47 (2), (3), (4), (5), (6), (7), (8) or (9) of that Act in which the person giving notice engages or proposes to engage.

PLEASE FOLLOW DIRECTIONS ON BACK OF THIS FORM

1. Applicant

(a) Name of person giving notice:

N96828 AAI Limited ABN 48 005 297 807:

- trading as Suncorp Insurance;
- trading as GIO;
- trading as Vero Insurance;
- trading as AAMI; and
- on behalf of its Authorised Representative, Australian Pensioners Insurance Agency Pty Limited (ABN 14 099 650 996) ("Apia"),

N96829

(referred to as "**the Insurer**") on and from 1 July 2013.

(b) Short description of business carried on by that person:

General insurance.

(c) Address in Australia for service of documents on that person:

c/o Michelle Bain
Senior Lawyer
Suncorp Group
Level 27
20 Bond St
SYDNEY NSW 2000

2. Notified arrangement

(a) Description of the goods or services in relation to the supply or acquisition of which this notice relates:

Benefits offered to holders of Suncorp, GIO, Resilium, Vero, AAMI and Apia home insurance policies issued by the Insurer.

(b) Description of the conduct or proposed conduct:

1. Pursuant to the terms of the Insurer's Suncorp, GIO, Resilium, Vero, AAMI and Apia home insurance policies ("Policies"), the customer is covered for loss or damage to the insured building where such loss or damage is caused by an insured event.
2. The conduct the subject of this application involves the Insurer providing the customer with the choice of using:
 - a repairer nominated by the Insurer ("Recommended Repairer"), or
 - a repairer of the customer's choice,

in the event of such loss or damage to the insured building, with varying benefits depending on the choice made. This conduct is more particularly described below:

- 2.1 the Insurer will obtain a quote from a Recommended Repairer in all cases.
- 2.2 where the customer chooses to use the Recommended Repairer, the Insurer will directly arrange and pay for the repairs and provide a lifetime guarantee on those repairs.
- 2.3 where the customer wishes to use their own repairer, they are required to submit a quote from their repairer and the Insurer will compare it to the quote provided by the Recommended Repairer. The Insurer will authorise the more competitive and complete quote and provide a lifetime guarantee on those authorised repairs (including where the Insurer authorises the customer's choice of repairer).
- 2.4 where the repairer chosen by the customer has not provided the more competitive and complete quote, and the customer insists on using their chosen repairer, then the Insurer will cash settle the customer the amount of repairs quoted by the Recommended Repairer. The Insurer's Policy

enables the insurer to cash settle any claim at the Insurer's discretion. The customer is then able to arrange and authorise repairs with their repairer. The Insurer will not provide a lifetime guarantee on those repairs.

- 2.5 A related body corporate of the Insurer has entered into non-exclusive agreements with various Recommended Repairers. Each agreement requires the Recommended Repairers to provide warranties on the standard or repairs they provide.
3. The benefits in using a Recommended Repairer, or the customer's repairer where authorised by the Insurer, are as follows:
 - 3.1 While the customer is not disadvantaged in terms of their entitlement to use a repairer of their choice, the customer will receive the benefit of a lifetime guarantee on those repairs if they use a Recommended Repairer or the Insurer authorises the repairs quoted by the customer's choice of repairer.
 - 3.2 In using a Recommended Repairer, the customer will enjoy the convenience of not having to arrange and manage the repairs.
 - 3.3 If the repairs provided by a Recommended Repairer are faulty or sub-standard, the Insurer will require the Recommended Repairer to complete the necessary remedial work, or appoint a different repairer to complete the necessary remedial work if required.
 - 3.4 The Insurer can provide a lifetime guarantee on repairs provided by the Recommended Repairer because it has control and oversight over the repair process.

3. Persons, or classes of persons, affected or likely to be affected by the notified conduct

(a) Class or classes of persons to which the conduct relates:

Persons with Suncorp, GIO, Resilium, Vero, AAMI or Apia home insurance policies that are issued by the Insurer.

(b) Number of those persons:

(i) At present time:

Approximately:

- Suncorp Insurance – 431,900;
- GIO– 410,700;
- Resilium – 92,400
- Vero Insurance – 187,500;
- AAMI–; 871,000; and
- Apia– 451,800

(ii) Estimated within the next year:

No significant changes are expected to the above.

(c) Where number of persons stated in item 3 (b) (i) is less than 50, their names and addresses:

Not applicable.

4. Public benefit claims

(a) Arguments in support of notification:

In addition to the benefit of a lifetime guarantee where the customer uses a Recommended Repairer or the Insurer authorises a repairer of the customer's choice, other benefits are as follows:

- the arrangement is likely to increase competition in the insurance industry, as it may encourage competitors in this market to offer similar benefits to their customers;
- the Insurer will make the necessary arrangements with the Recommended Repairer on behalf of the customer, and the invoice is issued directly to the Insurer;
- the arrangement also has the potential to foster business efficiency, and improve product quality.

(b) Facts and evidence relied upon in support of these claims:

None.

5. Market definition

Provide a description of the market(s) in which the goods or services described at 2 (a) are supplied or acquired and other affected markets including: significant suppliers and acquirers;

substitutes available for the relevant goods or services; any restriction on the supply or acquisition of the relevant goods or services (for example geographic or legal restrictions):

The relevant market likely to be affected is the market for home insurance products.

The other market that may be affected is the building and construction industry.

The Insurer distributes its insurance products both directly to the public, and via the broker networks. These products are available nationally.

Similar home insurance products can be purchased from a range of competitors to the Insurer.

The Insurer's market share of home insurance of the market within Australia is as follows:

- Suncorp Insurance* – 5.5%;
- GIO*– 5.5%;
- Resilium – 0.4%;
- Vero Insurance – 0.8%;
- AAMI*– 11.7%; and
- Apia*– 6.3%.

6. Public detriments

*(a) Detriments to the public resulting or likely to result from the notification, in particular the likely effect of the notified conduct on the prices of the goods or services described at 2 (a) above and the prices of goods or services in other affected markets:
(Refer to direction 9)*

The Insurer is unaware of any detriment to the public that is likely to result from the notified conduct described in item 2(a), particularly given that:

- customers are not prevented from obtaining services from a repairer of their choice.
- there is no premium discrimination involved in the Insurer's conduct. That is, the Insurer does not propose to offer a discount on an insurance premium on condition that the

* *Source: Roy Morgan Single Source (Australia), Total Home Insurance, 6 months to April 2013 Base: Australians 18+*

customer will subsequently obtain the services of a Recommended Repairer in the event of a claim.

- there are a number of substitute insurance products available to potential customers of the Insurer.
- the cost of the products specified at 2(a) above will not increase as a result of this arrangement.

Given that a relatively small section of the public will be affected by the proposed arrangement, and the temporary nature of the benefit, the section of the building affected by this arrangement is also likely to be small when compared to the total size of the building market. Consequently, it is unlikely that the arrangement would be seen as leading to any meaningful lessening of competition in that market. It is also likely that the benefits offered to customers under the arrangement would be seen as more significant than any consequential lessening of competition in the building repair market.

(b) Facts and evidence relevant to these detriments:

Attached to this Notification is the AAMI Home Building Product Disclosure Statement, which contains the terms and conditions of the arrangement, and which demonstrates that customers will have the option of using their own repairer or a Recommended Repairer. Similar wording is used in the Vero, GIO, Resilium, Suncorp and Apia policies issued by the Insurer.

7. Further information

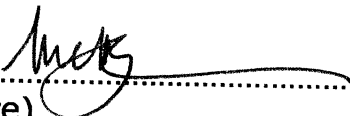
(a) Name, postal address and contact telephone details of the person authorised to provide additional information in relation to this notification:

Michelle Bain
Senior Lawyer
Suncorp Group
Level 27
20 Bond St
SYDNEY NSW 2000

Telephone: (02) 8121 0826
Email: michelle.bain@suncorp.com.au

Dated.....20 June 2013.....

Signed on behalf of the applicant


.....
(Signature)

Michelle Bain
(Full name)

AAI Limited
(Organisation)

Senior Lawyer
(Description)



HOME BUILDING INSURANCE

Product Disclosure Statement



AAMI



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Introduction

Your AAMI Product Disclosure Statement

Why is this document important?

This Product Disclosure Statement (PDS) is an important legal document that contains details of your AAMI Home Building Insurance if you purchase this product from us. Before you decide to buy this product from us, please read this PDS carefully. If you purchase this product, your policy comprises of this PDS and your insurance schedule 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 on **13 22 44**. We will give you a free paper copy of any updates if you request them. If it becomes necessary, we will issue a Supplementary Product Disclosure Statement (SPDS) or replacement PDS.

Our commitment to you

When you are an AAMI policyholder and you need to claim on your policy, our claims service will take away the stress and hassle. We are here to help you **24** hours a day, every day of the year. Call us on **13 22 44**.

AAMI's Customer Charter

We are committed to always provide you with the highest standard of service. The AAMI Customer Charter is a written document containing service and reporting promises which we are bound to deliver. In fact, we impose a penalty on ourselves if we fail to do so.

This unique Charter was drawn up through consultation with our staff, our customers and industry regulators. We are committed to keeping the promises we have made in this Customer Charter, and will review them annually.

The AAMI Customer Charter, introduced in 1996, was Australia's first general insurance customer charter and indeed the first retail customer charter. The Charter is your guarantee that we're always striving to deliver the best in customer service.

Cooling off period

After this insurance begins or you renew your policy for another period of cover, you have **21** days to consider the information in your PDS. This is called the 'cooling off period'. If you decide to cancel your policy during the cooling off period we will refund the unexpired portion of the total premium, less any non refundable government charges, and less **\$30** of premium (plus government charges and fire services levy if applicable) which we keep to cover our reasonable administrative and transaction costs. See page 49 for other times when you can cancel your policy.

Who is this product designed for?

This insurance product is specially designed to cover the buildings that you own and live in.

This product does not cover the contents of any building.

We rely on the accuracy of your information

When we agree to insure you, to renew or vary your policy, or to pay your claim, our decision relies on the accuracy of the information you give us. If that information is not accurate, we can reduce or deny any claim you may make or cancel your policy. We never want to have to do that, so you must answer honestly, correctly and completely the questions we ask about:

- You;
- the buildings;
- any events that result in a claim on your AAMI policy.

When you receive your renewal, please carefully check the information it shows about you and the buildings. If any of that information is incorrect or incomplete, please call us on **13 22 44** and we will update our records.

Joint policyholders

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

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 page 50.

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 insurance schedule and the full PDS carefully, including pages 16 to 25, and in 'What we do not cover - general exclusions' on pages 32 to 36 of this PDS.

Flood

But we do not cover loss or damage to retaining 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 insurance schedule will show that you do not have flood cover.

More details page 17

Storm

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

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

More details page 18

Lightning

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

More details page 19

Fire

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

More details page 19

Earthquake

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

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

More details page 20

Tsunami

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

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

More details page 20

Theft or Burglary

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

More details page 20

Accidental breakage of glass

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

More details page 21

Escape of liquid

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

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

More details page 22

Impact

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

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

More details page 23

Damage by an animal

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

More details page 23

Explosion

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

More details page 24

Riot, civil commotion or public disturbances

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

More details page 24

Malicious acts and vandalism

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

More details page 25

Summary of important claims information

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

For more details see pages 37 to 48.

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 37

Establishing your loss

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

More details page 39

Proof of ownership and value

We may require proof of ownership in the event of a claim.

More details page 39

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 40

How claims are settled

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

More details page 41

Peace of mind with AAMI

Complete Replacement Cover™ for the building

AAMI home building insurance comes with Complete Replacement Cover.

This means we cover loss or damage to the building due to an insured event up to whatever it costs us to repair or rebuild the building on a 'new for old' basis, unless provided otherwise in your policy.

There are some limitations and conditions that apply to our Complete Replacement Cover. Please read the entire PDS carefully particularly pages 41 to 46 so that you understand how we settle building claims.

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 due will be shown on the documents given with your insurance schedule as the 'Amount Due' or, if you pay by instalments, the amount due each month will be shown on your insurance schedule as 'Monthly Instalment'.

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

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

Your premium includes any discounts we have given you.

If you pay your premium by instalments it costs you more than if you choose to pay your premium in one annual payment and this is factored in as part of our premium calculation.

More Details

For further details on how we work out your premium, please refer to our Premiums, Excesses, Discounts and Claim Payments Guide available at aami.com.au. A copy of this guide can be provided to you on request, at no charge, if you contact us on **13 22 44**.

About our fees

Cancellation fee

We incur costs in establishing and administering your policy. If you cancel your policy within the same period of cover, we might choose to charge a cancellation fee.

A cancellation fee will not apply if:

- you are cancelling your policy which you pay by instalments;
- we cancel the cover for any reason.

Details

If you cancel your policy we will refund the unexpired portion of the total premium less any non refundable government charges and less **\$30** of premium (plus government charges and fire services levy if applicable) which we keep to cover our reasonable administrative and transaction costs.

If the refund due is less than the fee, a refund will not be issued and we will not charge you an additional amount to cover the difference.

Paying your premium

We will tell you how much you have to pay and how much time you have for payment on your insurance schedule. You can pay in one annual payment or if we agree, by instalments.

Unless we tell you, any payment reminder we send you does not change the expiry or due date. If you do not pay the total amount due, we may reduce the period of cover 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 cover. If a refund of **\$10** or more is payable, we will send you a cheque or credit your payment card account.

Late annual payments

If you do not pay the total amount due 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 total amount 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 an 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.

Important things to remember when paying by instalments

If we have agreed you can pay your premium by instalments:

- you must be an authorised signatory on the account nominated for your instalment payments;
- you must ensure that your nominated account has sufficient funds to meet each payment at each due date.

Your financial institution may apply its own fees (including dishonour fees). Those fees are your responsibility.

When you first commence paying by instalments, or when you change your account details, it may take up to **14** days for us to take the first instalment payment.

If you want to ask us to change or cancel your instalment payment arrangements, you need to contact us at least **7** days before the next instalment is due.

If you want to cancel the instalment payment arrangements completely, you will need to contact us and make alternative arrangements for payment of the total amount due for the rest of the period of cover. If you do not, you may not be covered.

If you ever think we have made a mistake in relation to an instalment payment, please contact us on **13 22 44**.

More Details

For further details on how we work out your premium, please refer to our Premiums, Excesses, Discounts and Claim Payments Guide available at aami.com.au. A copy of this guide can be provided to you on request, at no charge, if you contact us on **13 22 44**.

Your responsibilities

You must:

- keep the building well maintained and in good condition. For what we mean by 'good condition' see 'What do we mean by that' on page 51;
- take reasonable care to prevent theft, loss, damage or legal liability;
- follow all the terms and responsibilities set out in your policy;
- provide honest and complete information for any claim, statement or document supplied to us;
- ensure that the building complies with local government or other statutory requirements at all times.

Not meeting your responsibilities

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

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

When the building is unoccupied for more than 60 days

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

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

If you have to pay the unoccupied excess it is payable in addition to any other excess that applies to your claim. For more details about the unoccupied excess, see page 40.

When you need to contact us

You must contact us when:

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

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 insurance schedule and members of your family who normally live with you at the insured address.

If the insured shown on your insurance schedule is a company, trustee of a trust or Body Corporate, then you/your refers to:

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

Family means:

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

Where we cover - the insured address

We cover the building at the insured address. The insured address is the address/location shown on your insurance schedule. It also includes all land adjoining the insured address that you have a legal right to occupy, if the adjoining land 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 – the building

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

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

What we do not cover as - the building

Building does not include:

- anything defined as contents;
- any new building in the course of construction;
- any 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 and 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 occupied as a residence with its own utility metering.

The most we will pay for building claims

If we accept your claim, the most we will pay for loss or damage to the building due to an insured event is whatever it costs us to rebuild the building on a 'new for old' basis, unless provided otherwise in your policy.

GST

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

What you are covered for – Insured Events

We cover you for loss or damage to the building caused by an insured event which happens during the period of cover. 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 17 to 25 and in the 'What we do not cover – general exclusions' on pages 32 to 36.

Flood

We cover

Loss or damage to the building caused by flood. 'Flood' means the covering of normally dry land by water that has escaped or been released from the normal confines of:

- any lake, or any river, creek or other natural watercourse, whether or not altered or modified; **or**
- any reservoir, canal or dam.

Important Note:

You may be eligible to remove cover under insured event 'Flood' from your policy. To find out if you're eligible contact us on **13 22 44**.

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 insurance schedule will show this limitation in your cover.

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

We do not cover

- loss or damage caused by actions or movements of the sea or storm surge;
 - loss or damage to retaining 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 a wharf, jetty, mooring pole, pontoon or sea wall, 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 paintwork of the building, if that is the only building damage caused by the flood;
 - loss or damage to swimming pools or underground tanks caused by water leaking down the sides, against the sides or getting underneath them;
 - loss or damage to gates, fences or wall fences that were in a state of disrepair which would have been obvious to a reasonable person before the damage occurred;
 - loss or damage caused by erosion, vibration, subsidence, landslip, landslide, mudslide, collapse, shrinkage or any other earth movement, **but we will cover** damage to the building caused by a landslide or subsidence that occurs 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 the insured address;
 - loss or damage caused by flood if you do not have flood cover. Your insurance schedule will show this limitation in your cover.
-

Storm

We cover

Loss or damage to the building caused by a storm.

We do not cover

- loss or damage caused by flood;
 - loss or damage to the building caused by actions or movements of the sea or storm surge, **but we will cover** loss or damage caused by storm surge if it occurs at the same time as damage caused by storm;
 - loss or damage caused by erosion, vibration, subsidence, landslip, landslide, mudslide, collapse, shrinkage or any other earth movement, **but we will cover** loss or damage to the building caused by a landslide or subsidence that occurs 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, 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 a wharf, jetty, mooring pole, pontoon or sea wall 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;
 - damage to paintwork of the building, if that is the only building damage caused by the storm;
 - loss or damage to gates, fences or wall fences that were in a state of disrepair which would have been obvious to a reasonable person before the damage occurred;
 - the cost of cleaning the building or the insured address.
-

Lightning

We cover

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

We do not cover

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

Fire

We cover

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

We do not cover

Loss or damage arising from:

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

Earthquake and Tsunami

We cover

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

Note:

'Tsunami' is not an action or movement of the sea, see page 50.

We do not cover

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

Theft or Burglary

We cover

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

We do not cover

Loss or damage:

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

Accidental breakage of glass

We cover

Accidental breakage of:

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

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

Replacing glass

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

We do not cover

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

Escape of liquid

We cover

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

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

Exploratory costs

We will pay the reasonable cost of locating, at the insured address, the source of the escaped liquid and to repair and restore the damage to the building caused by our exploratory work **but only** if the escape of liquid is covered under this insured event. If the leak is not covered under this insured event, we provide some limited cover for exploratory costs under additional cover 'Exploratory costs where a leak is not covered under insured event 'Escape of liquid''. See page 29.

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 materials in the same room, hallway, stairs or passageway where the damage occurred.

See pages 43 to 45.

We do not cover

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

Impact

We cover

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

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

We do not cover

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

Damage by an animal

We cover

Loss or damage to the building caused by an animal.

We do not cover

Loss or damage caused by:

- any animal owned by you or that you are responsible for;
 - any animal allowed onto the insured address by you or anyone living at the insured address;
 - insects, vermin or rodents, **but we will cover** damage they cause if it is covered under the following insured events:
 - 'Fire' (see page 19);
 - 'Escape of liquid' (see page 22);
 - animals pecking, biting, clawing, scratching, tearing or chewing the building, or damage caused by their urine or excrement. **But we will cover** damage to the building caused by an animal (**except** insects, vermin or rodents) which becomes accidentally trapped inside the building and which does not belong to you or anyone living at the insured address.
-

Explosion

We cover

Loss or damage to the building caused by an explosion.

We do not cover

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

Riot, civil commotion or public disturbance

We cover

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

We do not cover

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

Malicious acts and vandalism

We cover

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

We do not cover

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

More Details

For further details about how we pay claims under building, please refer to our Premiums, Excess, Discounts and Claim Payments Guide available at aami.com.au. A copy of this guide can be provided to you on request, at no charge, if you contact us on **13 22 44**.

Additional features

If we accept your claim for loss or damage to the building due to an insured event, we will also provide the following additional features. There are some things we do not cover under these additional features and these are shown in the 'We do not cover' section of the following tables on pages 26 to 27 and in the 'What we do not cover – general exclusions' on pages 32 to 36.

Other Repair/Rebuilding Costs

We cover

When rebuilding or repairing damaged parts of the building due to an insured event, we will pay the reasonable and necessary costs:

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

We do not cover

The cost of:

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

Removal of Debris

We cover

The reasonable and necessary costs of:

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

We do not cover

The cost of:

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

Temporary Accommodation

We cover

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

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

We will also pay the reasonable and necessary costs for:

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

We do not cover

Temporary accommodation costs:

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

More Details

For further details about how we pay claims for additional features, please refer to our Premiums, Excesses, Discounts and Claim Payments Guide available at aami.com.au. A copy of this guide can be provided to you on request, at no charge, if you contact us on **13 22 44**.

Additional cover

We also provide the cover set out under the following additional covers. A claim under an additional cover does not require an insured event to have occurred and can be made independently of a claim for loss or damage to the building.

There are some things we do not cover under these additional covers and these are shown in the 'We do not cover' section of the following tables on pages 28 to 29 and in the 'What we do not cover – general exclusions' on pages 32 to 36.

All of the conditions of this policy apply to these additional covers unless the cover says otherwise.

Motor burnout

We cover

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

Cover includes the reasonable cost to repair or replace:

- the electric motor or compressor containing the motor;
- an entire sealed unit, filter, dryer and regassing 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.

We do not cover

- any motor or sealed unit aged 7 years or more;
- 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 caused by flood if you do not have cover for insured event 'Flood'.

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

We cover	We do not cover
<p>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 in the period of cover.</p> <p>The most we will pay is \$1,000 for each incident. No excess applies under this additional cover.</p>	<p>Loss or damage caused by flood if you do not have cover for insured event 'Flood'.</p>

More Details

For details on how we pay claims under these additional covers, please refer to our Premiums, Excesses, Discounts and Claim Payments Guide available at aami.com.au. A copy of this guide can be provided to you on request, at no charge, if you contact us on **13 22 44**.

Legal Liability

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 cover:

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

We will also pay the associated legal costs which we have agreed in writing to pay.

The most we will pay for all claims from any one incident under building legal liability cover is **\$20 million**, including all associated legal costs.

What we do not cover

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

Agreements you enter into

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

Aircraft

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

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

Animals

any animal other than your domestic dog or cat.

Asbestos

personal injury caused by or arising from exposure to or potential exposure to asbestos in any form.

Buildings, property or land not at the insured address

you owning, occupying or renting any building, property or land **except for** the building, the land or any structure at the insured address.

Building, altering or renovating

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

Business activity

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

Committee members or officials

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

Death or injury

death or injury of:

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

Fines, penalties and other damages

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

Illness or disease

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

Motor vehicles or motorcycles

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

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

Your employees

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

Watercraft

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

What we do not cover – general exclusions

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

Actions or movements of the sea

actions or movements of the sea.

Biological, chemical, other pollutant or contaminant

any actual or threatened biological, bacterial, viral, germ, chemical or poisonous pollutant or contaminant or any looting or rioting following these incidents or any action taken by a public authority to prevent, limit or remedy such actual or threatened release, pollution or contamination. **But we will cover:**

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

Breaking the law

- you, or someone with your knowledge or permission, committing or trying to commit an unlawful or criminal offence, such as assault or malicious damage, at the insured address;
- 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, including:

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

Confiscation or damage by a legal authority

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

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

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

- loss of income or wages;
- costs, including the cost of your time, to prove your loss or to help us with your claim;
- 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;
- any costs not covered by your policy.

Defect, structural fault or design fault

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

What we do not cover – general exclusions cont'd

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

Deliberate actions by you

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

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

Deliberate damage to a reservoir or dam

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

Failing to take care of the building or contents

your failure to:

- take reasonable care of the building and contents;
- keep the buildings and contents well maintained and in good condition. For the meaning of 'good condition' see the 'What do we mean by that' section on page 51;
- fix faults and defects as soon as you become aware of them.

Ground movement

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

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

Hazardous materials

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

Mechanical or electrical breakdown

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

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

Not complying with building regulations

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

Power surge

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

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

Radioactivity

radioactivity or the use, existence or escape of:

- nuclear fuel;
- nuclear material or waste;
- action of nuclear fission including detonation of any nuclear device;
- nuclear weapon;
- any looting or rioting following such an incident.

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

What we do not cover – general exclusions cont'd

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

Roots of trees, shrubs and plants

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

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

Seepage of water

water seeping or running:

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

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 or gradual deterioration such as, **but not limited to**:

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

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 on 13 22 44.

We are open **24** hours a day. If you delay reporting your claim, we may not pay for any additional loss or damage caused by your delay.

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

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

For customers who are registered for GST

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. When we calculate a payment to you for your claim, we can reduce it by any ITCs you are, or would be, entitled to receive.

Legal liability claims

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

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

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

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

For more details on 'Legal Liability' cover see pages 30 to 31.

To process the claim, you must

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

What you must not do

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

If you do not comply

If you do not comply with 'What you must do' and 'What you must not do' we can reduce or refuse your claim or cancel your policy.

If we decline a claim

When you contact us to make a claim we will tell you if we can accept it. If we can't we will tell you why. In some cases we will allow you to lodge your claim but we will need to further assess it before making a decision. If we then decide to decline your claim we will give you our reasons in writing. If you wish to dispute our decision, see page 54 for more information.

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.

Proof of Loss

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

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

Proof of ownership and value

For lost, damaged or stolen items that are no longer available for inspection (e.g. an electrical appliance that is part of the building), you must validate your claim by giving us details of when and where they were purchased and reasonable proof of ownership and value.

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

Your excess

What is an excess?

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

The types of excesses are:

Standard excess

This excess applies to all claims unless your policy states that no excess applies to your claim.

AAMI Flexi-Premium™ excess

You can choose to add this excess to your policy to reduce your premium. When you choose to apply a flexi-premium excess, you will need to pay this excess in addition to the standard excess unless your policy states that no excess applies to your claim.

Unoccupied excess

This excess applies in addition to any other excess. We will apply the unoccupied excess to each incident covered by your policy, if at the time of the incident, the building has been unoccupied for more than **60** continuous days.

When you claim for both building and contents

When both the building and contents are insured with us and the incident leading to your claim is for damage or loss to both, you must pay whichever is the highest of your applicable total building and total contents excesses.

When we may waive your excess

When you make a claim for damage to the building and the incident covered by your policy was caused by another person and we agree, we may waive the excess that would normally apply if you can give us the name and address of the person responsible for the damage or, if applicable their registration details.

More Details

For further details about our excesses, please refer to our Premiums, Excesses, Discounts and Claim Payments Guide available at aami.com.au. A copy of this guide can be provided to you on request, at no charge, if you contact us on **13 22 44**.

How to pay your excess

When you make a claim we will either 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 excess in full before we pay your claim or provide any benefits under your policy.

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.

If we rebuild (or pay you what it would cost us to rebuild), we will rebuild 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.

We may offer you a voucher or stored value card for the amount it would cost us to repair or rebuild an item.

We will not:

- pay extra to repair or rebuild the building to a better standard, specification or quality than it was before the loss or damage occurred **except** as stated in the following meaning of 'new for old';
- fix a fault that existed before the loss or damage occurred;
- pay to repair or replace electrical or electronic items that were no longer in use or were no longer able to be used for the purpose they were intended.

'New for old' means:

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

'New for old' does not:

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

Obsolete electrical appliances

For obsolete electrical appliances that are part of the building, 'new for old' means, replacing or repairing that item to an equal specification. If this is not available, it means to the nearest better specification available. It can be a different brand.

When we authorise repairs 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 will 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 or colour 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 pages 43 to 45.

When we will repair or rebuild undamaged parts

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

- **wall tiles are damaged**
we will 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' on pages 43 to 44.

*For the meaning of these terms refer to pages 43 to 45.

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 cupboards, cabinets 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 cupboard, cabinet 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 the page 44 for a visual explanation.

Note:

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

Case study

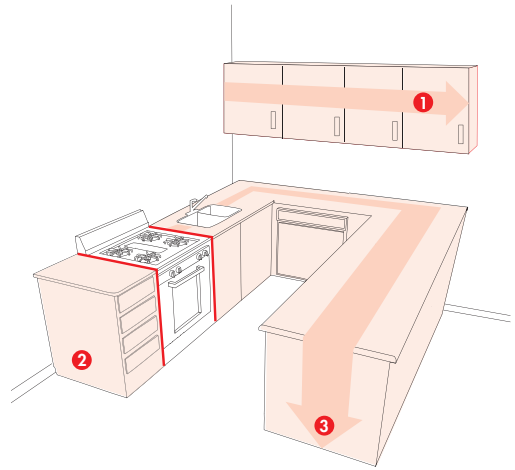
The extent of repairs carried out to match undamaged areas in a kitchen.

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

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

In this kitchen case study

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



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

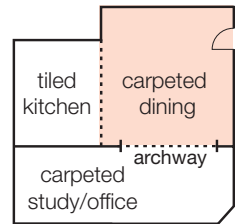
Same room

A room is an area starting and finishing at:

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

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

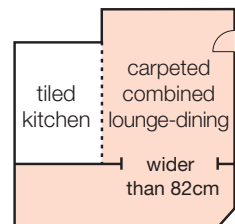
Any archway or similar opening separates a room unless it is a combined lounge-dining room (below)



Combined lounge-dining room

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

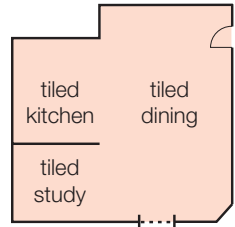
- they are lounge and dining rooms; **and**
- the shared doorway, archway or similar opening is wider than **82cm**; **and**
- the floor or wall covering is the same in both rooms.



Open plan areas

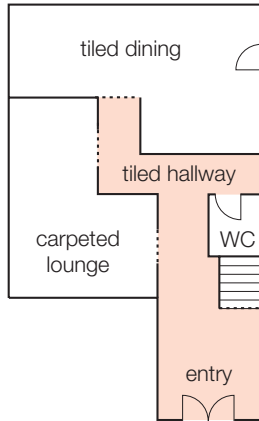
When there is no wall, archway, doorway or similar opening, the room continues until:

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



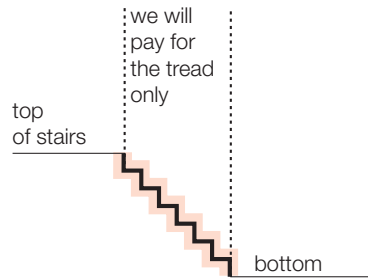
Same passageway or hallway

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



Same stairs

Side view of stairs



Legend

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

Dealing with defects

If a known defect is the cause of the damage

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

If an unknown defect is the cause of the damage

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

We do not rectify structural or design faults

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

If undamaged defective parts of the building will not support repairs

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

For known defects or faults

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

Changes to the building

If you want to change the design of the building

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

Choosing to rebuild on another site

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

Lifetime guarantee on building repairs

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

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

What we guarantee

We guarantee the material used and standard of the workmanship to be free of defects. If a defect arises in the lifetime of the building as a result of poor quality workmanship or use of incorrect materials, then we will rectify the problem.

This guarantee does not apply:

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

Other claims information

Potential impact on cover and premiums

If we only pay part of the total cost to repair or rebuild the building, your policy continues for the period of cover.

If we have paid a claim for loss or damage to the building that we assess as a total loss, all cover under your policy, including the legal liability cover it provides, stops. There is no refund of premium.

If you have been paying your premium by instalments, we will deduct the remaining instalments for the unexpired period of cover from the amount we pay for the claim, or we will require you to pay the remaining instalments to us if we decide to rebuild the building.

Salvaged home and contents items

We can take and keep any recovered, salvaged or damaged item and sell it and keep the proceeds after we have replaced the item or paid you for it.

Our right to recover claims we pay from those responsible

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

More Details

For examples on how a claim payment might typically be calculated and the effect it may have on your premium, please refer to our Premiums, Excesses, Discounts and Claim Payments Guide available at ami.com.au. A copy of this guide can be provided to you on request, at no charge, if you contact us on **13 22 44**.

Other Important Information

What happens with cancellations?

Cancellation by you

You may cancel your policy at any time. If you cancel your policy, you will be refunded the unexpired portion of the total premium, less any non-refundable government charges, and less our cancellation fee if applicable. See page 10 for details about our cancellation fee.

Cancellation by us

We can cancel your cover where the law allows us to do so. We will refund any money we owe you less any non-refundable government charges. If we cancel your policy due to fraud, we will not refund any money to you.

For more information about cancellation see 'Cancellation fee' on page 10 and 'Paying your premium' on page 10.

What do we mean by that?

Actions or movements of the sea

means:

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

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

Building

see page 15.

Business activity

means:

- is 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.

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).

Contents

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

Family

see page 14.

Flood

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

- any lake, or any river, creek or other natural watercourse, whether or not altered or modified; **or**
- any reservoir, canal or dam.

See page 17.

Good condition

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

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

Incident

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

Insured address

see page 14.

Insured events

see page 17 to 25.

Insurance schedule

means the latest insurance schedule we have given you. It is an important document as it shows the covers you have chosen and other policy details.

Period of cover

means when this insurance cover starts to when it ends. It is shown on your insurance schedule.

Policy

means your insurance contract. It consists of the latest PDS and any SPDS we have given you, and your latest insurance schedule and any receipt we may send you.

Planned

means you intend to demolish the building, have lodged an application to do this, or a government authority has issued a demolition order for the building.

Retaining wall

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

Storm

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

Storm surge

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

Unoccupied and occupied

unoccupied means:

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

occupied means:

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

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

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

we, us, our and AAMI

means Australian Associated Motor Insurers Limited (ABN 92 004 791 744).

You/Your

see page 14.

How we will deal with a complaint

If you have a complaint about our products or services (even if through one of our service providers) or our complaints handling process, please let us know so that we can help.

You can contact us:

By phone **13 22 44**

In writing **PO Box 14180**
Melbourne City Mail Centre
Victoria 8001

By email **aami@aami.com.au**

Please include the full details of your complaint and explain what you would like us to do.

When we receive your complaint, we will consider all the facts and attempt to resolve your complaint by the end of the next business day.

If we are not able to resolve the matter to your satisfaction, it will be referred to the relevant team leader or manager, who will review your complaint and contact you within **5** business days of us receiving your complaint.

If you remain dissatisfied the matter will be referred to our Internal Dispute Resolution (IDR) team. Our IDR team will review your complaint, and provide you with their final decision within **15** business days of your complaint being referred to them.

The contact details for our IDR team are: by phone: 1300 240 437, by fax: 1300 316 047, in writing: Internal Dispute Resolution, AAMI, PO Box 14180, Melbourne City Mail Centre, Victoria 8001, by email: idr@aami.com.au

If we require additional information for our assessment or investigation of your complaint, we will agree with you a reasonable alternative timeframe to resolve your complaint.

If we are unable to resolve your complaint within **45** days, you may take your complaint to the Financial Ombudsman Service (the FOS), even if we are still considering it. The contact details for the FOS are set out below.

What if you are not satisfied with our final IDR decision?

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 FOS. The FOS is an independent external dispute scheme and their service is free to you. Any decision the 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.

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

You can contact FOS:

By phone **1300 780 808** (for the cost of a local call)

By Fax **(03) 9613 6399**

By email **info@fos.org.au**

In writing **Financial Ombudsman Service**
GPO Box 3
Melbourne VIC 3001

By visiting **www.fos.org.au**

Report insurance fraud

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

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

Help us fight insurance fraud by reporting:

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

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

General Insurance Code of Practice

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

Financial Claims Scheme

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

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

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

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

**We're here to help 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

Customer Comment Line: 1300 360 361

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