

Apia Apartment Style Residence Insurance

Premiums, Excesses, Discounts and
Claim Payments Guide

Rewarding experience



Your Guide to Premiums, Excesses, Discounts and Claim Payments

The Premiums, Excesses, Discounts and Claim Payments Guide (**PED Guide**) is designed to provide you with additional information about how we calculate premiums and determine excesses and discounts and pay claims under this policy. You should read this PED Guide together with our Apartment Style Residence Insurance Product Disclosure Statement (**PDS**) dated 7 April 2016.

This PED Guide is relevant to you if you purchased your policy on or after 21/05/2016 or your policy's renewal date is on or after 27/06/2016.

About your premium

The premium is the amount you pay us for this insurance. It reflects what we consider is the likelihood of you making a claim, other factors related to our cost of doing business. The premium you pay includes any discounts we give you, stamp duty, goods & services tax (**GST**) and if applicable other government charges. Your certificate will show you how much you have to pay.

When we calculate your premium there are a range of factors we take into account. The importance we place on the factors we use can change and how those factors combine to affect your premium will differ from person to person.

Each time you renew your insurance your premium is likely to change, even if your personal circumstances have not changed. This is because the premium you pay is also affected by other things including:

- The cost of claims we have paid to other customers and claims we expect to pay in the future;
- New and updated data we use to calculate your premium;
- Changes in government taxes and any state or territory duties or levies;
- Our expenses of doing business;
- Other commercial factors.

When determining your renewal premium, we also consider how much you paid previously. As such we may limit movements up or down.

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

- The address where your contents are kept;
- Sums insured;
- Construction material of the apartment;
- Age of the apartment;
- Type of security at the insured address;
- How the apartment is occupied;
- The amount of your excess;
- The optional covers you have chosen.

Premium discounts

Discounts are also a factor that can affect your premium. The premium you pay for your insurance includes any discounts we have given you. Any discounts are usually calculated and applied before the application of government taxes and charges.

The main discount we offer is:

- Multi-policy discount – We might reward you with a discount for having more than one policy with us. Some policies are not eligible for a discount and whether or not we give you a discount can also depend on the combination of products you hold with us. To find out more about the multi-policy discount, please phone us on **13 50 50**.

From time to time we might also offer discounts (such as a discount for quoting for and buying your new policy on-line) or some other special offer as part of a marketing campaign. If we do this, separate terms and conditions will usually apply. The amount and type of discounts that may be offered can change or be withdrawn.

If you are eligible for more than one discount we usually apply any subsequent discount to the already discounted premium.

Government taxes and charges

Contents insurance policies are subject to stamp duty imposed by state and territory governments, GST and if applicable other government charges.

Excesses

The excesses that apply to your policy are stated on your certificate. The different types of excesses are:

Contents excess

The contents excess that applies to your policy can vary based on our assessment of the risk. If you apply to vary your contents excess and we agree to the variation, your contents excess will be the amount chosen by you from our range.

Personal valuables excess

The excess that applies for a claim under the personal valuables optional cover is \$100.

Unoccupied excess

The unoccupied excess is \$500.

Claims payment examples

The following examples are designed to illustrate how a claim payment might typically be calculated. The examples do not cover all scenarios or all benefits and do not form part of your policy terms and conditions. They are a guide only. Apia always determines real claim payments on an individual basis, after we have assessed each claim. You should read the PDS and your certificate for full details of what we cover as well as what policy limits, excesses, conditions and exclusions apply.

Notes about the claims payment examples:

- when you make a claim we will choose whether to deduct the applicable excesses from the amount we pay you or direct you to pay the excesses to us or to the appointed repairer or supplier;
- all amounts are shown in Australian dollars and are GST inclusive;
- all examples assume that the named insured is not registered for GST.

Example 1: Legal liability

While riding a push bike along the road, your daughter who lives with you accidentally rode into a parked car causing damage and scratches to the paintwork of the vehicle. The cost to repair the damage to the vehicle is \$2,000. Your contents excess is \$100.

| What you are claiming | How much we pay | Further information |
|--|-----------------|--|
| An indemnity for your liability for damage to third party property | \$2,000 | Under 'Legal liability', we cover your legal liability up to \$20 million, including all associated legal costs we have agreed to pay following your claim. We pay the person who claimed against you \$2,000. |
| Less excess | -\$100 | You pay your excess before we settle your claim. |
| Total claim | \$1,900 | |

Example 2: Partial loss – fire damage

One evening at your apartment, a candle is accidentally knocked onto a single lounge chair which catches on fire. When the fire was extinguished the chair was damaged beyond repair but the remaining pieces of the suite were undamaged. The chair cannot be replaced to match the other pieces of the suite. You cannot claim to replace the undamaged parts of the lounge suite. You can pay the extra cost of replacing the undamaged parts to achieve a uniform appearance (refer to page 87 of the PDS for full details). You have a \$100 contents excess.

| What you are claiming | How much we pay | Further information |
|-----------------------|-----------------|--|
| Damaged lounge chair | \$1,000 | It costs us \$1,000 to find a replacement chair that is the closest match to your lounge suite reasonably available to us. You may be able to pay the extra \$2,000 to have your entire lounge suite replaced. |
| Less excess | -\$100 | You pay your excess before we settle your claim. |
| Total claim | \$900 | |

Example 3: Total loss, removal of debris, temporary accommodation

Your contents sum insured is \$90,000 and you have the optional personal valuables – specified items cover to insure a \$4,000 gold necklace. There is a fire at your apartment and we determine that your apartment and contents are a total loss. A contents excess of \$500 applies to your contents policy and your personal valuables excess is \$100.

| What you are claiming | How much we pay | Further information |
|--------------------------------------|------------------------|---|
| Contents sum insured | \$90,000 | We are satisfied with the evidence you have provided us about the contents you have lost in the fire. Our settlement to you is a combination of replacement through our suppliers and cash. |
| Personal valuables – specified items | \$3,400 | We are satisfied with the evidence you have provided us about the gold necklace lost in the fire. We replace your destroyed necklace new for old within its sum insured. We pay the jeweller. |
| Removal of debris | \$3,000 | We pay the reasonable and necessary costs to dispose of your destroyed contents under the additional feature 'Removal of debris' up to 10% of the contents sum insured. We pay \$3,000 to a contractor to remove the damaged contents. |
| Temporary accommodation | \$15,000 | Under the 'Temporary accommodation for tenants or strata title owners' additional feature, you are covered for reasonable temporary accommodation costs you incur up to 4 weeks in short term accommodation, and up to another 48 weeks residential accommodation similar to your apartment up to 20% of the contents sum insured. In this case, you needed 40 weeks temporary accommodation. We will either pay the costs you incur direct to the accommodation supplier or reimburse you these costs. |
| Less excess | -\$500 | As you are claiming under both contents and personal valuables cover arising from the same incident, you pay the higher of your contents and personal valuables excesses. We deduct the applicable \$500 excess from the settlement. |
| Total claim | \$110,900 | |

Example 4: Personal valuables – unspecified items

You have the optional cover Personal valuables – unspecified items shown on your certificate. Whilst bushwalking you accidentally drop your camera and it is damaged. We decide your camera cannot be economically repaired and needs to be replaced. The cost to replace the camera is \$1,200 and you have a \$100 personal valuables excess.

| What you are claiming | How much we pay | Further information |
|-----------------------|-----------------|--|
| Damaged camera | \$1,000 | The most you can claim under Personal valuables – unspecified items for any one item is \$1,000. |
| Less excess | -\$100 | We deduct your excess from the settlement we give you. |
| Total claim | \$900 | |

Example 5: Personal valuables – specified items

You have insured your engagement ring for \$6,000 under the optional cover Personal valuables – specified items on your policy. While you were swimming at your local beach your ring slipped off your finger and you are unable to find it. You have a \$100 personal valuables excess.

| What you are claiming | How much we pay | Further information |
|-----------------------|-----------------|---|
| Engagement ring | \$5,000 | We replace your lost ring new for old and of a similar type, standard and specification within the sum insured shown on your certificate for that item. We pay the jeweller \$5,000. |
| Less excess | -\$100 | You pay your excess before we settle your claim. |
| Total claim | \$4,900 | As we have replaced your engagement ring this item is removed from your policy and there is no refund of unused premium. If you want to cover the replacement ring then you will need to apply for new cover. |