

Apia Home and Contents 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 Home and Contents 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 of your home and/or where your contents are kept;
- The type of insurance you have chosen (home, contents or both);
- Sums insured;
- Construction material of the home or unit;
- Age of the home or unit;
- Type of security at the insured address;
- How the home or unit is occupied;
- The amount of your excess;
- The optional covers you have chosen;
- The dwelling type (e.g. house v unit).

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 discounts we offer are:

- Combined home and contents discount – We might reward you with a discount for combining your home and its contents on the same policy with us. If you receive the combined home and contents discount, you cannot receive a further multi-policy discount.
- 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

Home and 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:

Home and contents excess

The home and/or contents excess that applies to your policy can vary based on our assessment of the risk. If you apply to vary your home and/or contents excess and we agree to the variation, your home and/or 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

You have insured your home. During a dinner party at your home one of your guests was walking down the stairs, the area was poorly lit causing your guest to slip down the stairs and injure their ankle and lower back. Your guest has made a claim against you for their out of pocket expenses and we or a Court decide you are liable. A \$500 home excess applies to your claim.

What you are claiming	How much we pay	Further information
An indemnity for your liability for personal injury to a third party	\$14,800	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 \$14,800.
Legal fees	\$5,000	Lawyers' fees to defend you are \$5,000. We pay the law firm for their fees.
Less excess	-\$500	You pay your excess before we settle your claim.
Total claim	\$19,300	

Example 2: Partial loss - Damage to home, theft of contents, replacement of locks

You have insured your home for \$320,000, you have a contents sum insured of \$70,000 and you have selected optional Personal valuables - unspecified items cover of \$3,000. While you were out, your house was broken into by forcing open your locked sliding door. Electrical items with a retail replacement value of \$4,000 were stolen from your home as well as a leather jacket, your gold necklace and the spare keys for the house that were sitting on the kitchen bench top. A \$750 home excess and a \$500 contents excess apply to your policy. Your personal valuables excess is \$100.

What you are claiming	How much we pay	Further information
Electrical items	\$3,700	We have decided to replace the electrical items for you on a new for old basis. We arrange the replacement items for you with a supplier. Although the retail price of the items are \$4,000, it costs us \$3,700 to replace the items for you through our supplier.
Gold necklace	\$3,000	We have a jeweller quote to replace your necklace new for old and it costs us \$3,300. Although you can only claim up to \$2,000 per jewellery item under your contents cover, you can also claim for the loss of your necklace under your Personal valuables - unspecified items cover to the item limit of \$1,000. We settle you \$3,000 for this item.
Leather jacket	\$450	We assess your leather jacket will cost us \$450 to replace new for old. We settle you for this amount.
Damaged sliding door	\$650	The sliding door is damaged during the burglary and needs to be replaced. We assess that it would cost \$650 for us to replace the door on a new for old basis. We arrange for our repairer to replace the damaged door and pay the repairer \$650.
Replacement locks	\$700	You arrange the replacement of external door and window locks. Under the 'Lock replacement (after theft of keys)' additional cover you are covered for a maximum of \$1,000. We reimburse you \$700.
Less excess	-\$750	As you are claiming for loss of home, contents and personal valuables arising from the same incident, you pay the highest of your excesses. We deduct your \$750 excess from your settlement.
Total claim	\$7,750	

Example 3: Total loss, removal of debris, other repair/rebuilding costs

Your home sum insured is \$350,000. Your contents sum insured is \$80,000 and you have selected optional Personal valuables - unspecified items cover of \$3,000. There is a fire at your home and we determine that your home and contents are a total loss. A \$500 home excess and a \$500 contents excess apply to your policy. The personal valuables excess is \$100.

What you are claiming	How much we pay	Further information
Building costs	\$340,000	We decide to rebuild your home new for old and it costs us \$340,000. We pay the builder \$340,000.
Removal of debris*	\$20,000	Before rebuilding commences it costs \$20,000 to demolish and remove the damaged structure and we assess these costs to be reasonable. Under the additional feature 'Removal of debris' we will pay the builder directly.
Architect's fee	\$12,000	We decide that it is necessary to engage an architect to design your replacement home. Under the additional feature 'Other repair/rebuilding costs' we will pay the reasonable costs for the services of professionals such as architects up to 10% of the sum insured of your home. We pay \$12,000 directly to the architect.
Extra rebuilding costs	\$20,000	As your home is located in a cyclone risk area and prior to the loss your home did not comply with the relevant building code that came into effect after your home was built, under the 'Other repair/rebuilding costs' additional feature we pay up to 10% of the home sum insured for the extra building costs necessary to make your new home compliant with that building code. These extra rebuilding costs are \$20,000. We pay this directly to the builder.
Contents Personal valuables - unspecified items	\$80,000 \$3,000	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.
Temporary accommodation	\$26,000	Under the 'Temporary accommodation when you have home cover' 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 home up to 20% of the home 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 home and contents arising from the same incident, you pay the higher of your home and contents excesses. In this case they are the same. We deduct the applicable \$500 excess from the settlement. In this case, because your contents excess is higher than your personal valuables excess, your personal valuables excess does not apply.
Total claim	\$500,500	

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 cover 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.