Household Insurance

Additional Information Guide (AIG)

RHHB8.0526

What is this document?

This Additional Information Guide (AIG) is designed to provide you with general information regarding your policy.

This AIG does not form part of your insurance policy with us.

Your insurance policy is made up of your Product Disclosure Statement, your Certificate of Insurance and any Supplementary Product Disclosure Statement. These documents contain your policy terms and conditions including details of what we cover, the policy limits and conditions, as well as any exclusions that could apply.

This AIG provides the following general information:

01 Your policy documents

The documents that make up your policy are:

- Product Disclosure Statement
- Certificate of Insurance
- Supplementary Product Disclosure Statement

Other documents that don't make up your policy but provide important information:

- Additional Information Guide
- Target Market Determination

02 Premiums and discounts

How we calculate your premium, the factors that affect your premium and what discounts may be available.

03 Excesses and claims examples

Information about the types of excesses that may apply and some helpful claim settlement examples.

04 Other information

Other information including some additional member benefits and the Financial Claims Scheme.

01 Your policy documents

Documents that make up your policy

Your policy includes your Product Disclosure Statement, your Certificate of Insurance, and any Supplementary Product Disclosure Statement. These documents show the conditions that apply to your policy.

Please read all these documents together to understand how your insurance will apply.

1. Product Disclosure Statement (PDS)

The PDS sets out the conditions that apply to your policy including what we do and don't cover, the exclusions that apply under your policy and what we pay when you make a claim.

We give you a PDS with your Certificate of Insurance when you take out a new policy with us. You can download a free copy of our PDS from **racq.com.au/insurance/insurance-disclosure-documents.**

2. Certificate of Insurance (COI)

Your COI shows the type of cover that applies to your policy and also shows any specific details that apply to your policy. You should check the details to make sure they are correct.

For example, your policy number, details of your home, your period of insurance, the premium for your policy and what excesses apply to your policy.

3. Supplementary Product Disclosure Statement (SPDS)

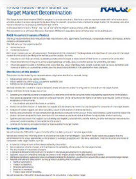
If we need to make a change to the PDS conditions, we may issue an SPDS which sets out the change. If we issue an SPDS, we will give you a copy.

Documents that are not part of your policy

The documents below do not form part of your policy. These documents provide you with general information about the product and may assist you to see if it meets your needs.

Additional Information Guide (AIG)

The AIG contains details about premium calculations, pricing factors, excesses, claim settlement examples, the Financial Claims Scheme and other information that may be relevant to you. You can download a free copy from **racq.com.au/insurance/insurance-disclosure-documents** or contact us.



Target Market Determination (TMD)

The TMD describes who the products have been designed for and the different types of cover for you to determine if they will meet your needs.

02 Premiums and Discounts

Premium

Your premium

Your premium is the amount you pay for the cover we give you under your policy. It includes any government statutory charges, levies, duties, GST or other taxes that may apply.

How we calculate your premium

To calculate your premium, we assess various items of information including details about you and your home, which we call premium factors.

We calculate your premium based on:

- the selected level of cover
- your individual circumstances (i.e. Your home location etc)
- any discounts applied
- optional benefits (if selected)
- selected excess
- the ARPC Charge
- government charges, taxes or levies applicable.

We also pass on, as part of your premium, the cost of RACQ taking out reinsurance with the Australian Reinsurance Pool Corporation (in this Premium & Discount guide section, called the 'ARPC Charge'). The amount of this ARPC Charge will depend on our application of the Australian Reinsurance Pool Corporation's assessment of the cyclone and cyclone-related flooding risk of your policy and/or your insured address.

Your premium may also be affected or changed due to other considerations, some of these include:

- the cost of claims we have paid and expect to pay in the future
- data we have collected on premium factors
- third party data, market adjustments and other commercial factors
- the cost of running our business or
- government statutory charges.

The importance of the premium factors we use and the way in which we combine them to determine your premium varies by type of cover and from person to person and may change. We may alter how much each factor varies your premium and we may add or remove factors over time. The information we use in relation to these premium factors may be collected from you or from other sources.

We don't apply premium discounts to the ARPC Charge, nor to any government statutory charges such as GST and stamp duty or to the portion of your premium which relates to payment frequency. Discounts will not apply to the premium associated with Mobile phones, Pet cover and Small business contents optional benefits or your decision to adjust your excess amount.

If you are entitled to more than one discount, the discounts will be applied consecutively (that is, after the first discount is applied, the next discount will be applied to the already discounted premium). We may apply rounding in calculating premiums.

When you change or renew your policy, we review your premium and may increase or decrease it in line with any relevant changes to your circumstances. We may choose to limit the amount of any premium increase or decrease you experience on renewal.

Premium factors

The following table shows some of the factors that we may consider in determining your premium. Premium factors may be different depending on the type of cover you have selected. This is not an exhaustive list of the factors we consider. We may add or remove premium factors.

Premium factors	Home	Contents
You		
Policyholder details The age of the oldest individual policyholder and whether one of the policyholders is a company or a trust.	✓	✓
Your home at the insured address		
Sum insured The sum insured you have selected.	✓	✓
Insured address Location, address and the physical characteristics of the home at the insured address.	✓	✓
Occupancy Whether the property is owner-occupied, rented by you or rented out by you.	✓	✓
Your policy choices		
Excess amount What basic excess amount you have selected.	✓	✓
Optional benefits What optional benefits you have chosen.	✓	✓
Premium payment frequency Paying as monthly instalments or as a single annual payment.	✓	✓

Discounts

What discounts can be applied to your premium

Discounts are also a factor that can affect your premium. We don't apply any discounts to additional premiums arising from your policy choices in relation to:

- your excess amount
- the following optional benefits: Mobile phones, Pet cover and Small business contents
- the portion of your premium which relates to payment frequency.

We also don't apply discounts to the ARPC Charge, nor to any government statutory charges such as GST and stamp duty that are included in the cost of your insurance.

From time to time, we may also offer other discounts or incentives. If we do, separate terms and conditions may apply. We may withdraw or vary any discounts or incentives at any time, including by changing eligibility rules or the amount of the discount. Information about the discounts we offer and who is entitled to the discounts is available at **racq.com/insurance** on the Insurance discounts page or on request.

When a discount applies

A discount being applied to your policy depends on:

- you meeting the specific eligibility criteria based on your circumstances and
- the discount is offered by us at the time your policy starts or renews.

Some discounts aren't applied automatically, this can occur due to the type of discount or due to your policy already being within a renewal offer stage when you became eligible for a discount. If you believe you qualify for a discount that's not on your policy, please contact us prior to paying your premium to confirm if you meet the eligibility criteria, some discounts may not be available if you have paid your premium prior to you contacting us.

The key discounts that are offered are summarised in the following table.

Discounts	Home	Contents
Combined discount If you are the owner-occupier of your home and take out a combined Home and Contents Insurance policy for the same insured address.	✓	✓
Roadside Assistance loyalty discount If any policyholder holds RACQ Roadside Assistance (excludes Business Roadside Assistance).	✓	✓
Multi policy discount If any policyholder has 3 or more qualifying policies with RACQ Insurance.	✓	✓

Visit **racq.com/insurance** for the details of discount rates and eligibility.

Multi policy discount

The Multi policy discount (MPD) is available to policyholders with three or more eligible policies under their name. A policy is considered active only when its coverage has started and it is within its period of insurance.

How the MPD is applied

When you purchase a new policy, we complete the MPD calculation using the start date of your eligible policies, not the date the policies were purchased. For the discount to be applied appropriately, policies must be purchased in the order of their start dates.

We will apply the MPD to your existing eligible policies from their next renewal date. However, if a renewal notice has already been issued for a policy when you become eligible, unless you contact us prior to paying your premium, the MPD will not apply to that immediate renewal and it will instead be applied effective from the next renewal date.

If you quote for a new policy via our website, we rely on your answers to our questions to establish eligibility for the MPD.

If the number of eligible active policies drops below three, the MPD will be removed from all policies upon their next renewal date.

MPD eligible policies

Policies that contribute to the MPD eligibility criteria when active under your name are:

- Comprehensive Car Insurance
- Motorcycle Insurance
- Mobility Aid Insurance
- Fire, Theft and Third Party Insurance
- Third Party Property Damage Insurance
- Caravan or Trailer Insurance
- Home or Contents Insurance
- Comprehensive Boat Insurance
- Boat Third Party Liability Insurance
- Pet Insurance

03 Excesses and claims examples

An excess is the amount you contribute towards the cost of each claim you make. Your COI will show any excesses that apply to your policy. More than one excess may apply to a single claim.

Excess amounts		Your home	Your contents
Basic excess Your basic excess is the amount that you pay towards your claim.	As shown on your COI	✓	✓
Earthquake excess If an earthquake causes loss or damage to your home or contents, this excess is paid on top of your basic excess.	$300	✓	✓
Additional excess This excess is paid on top of the basic excess or optional benefit excess. An additional excess may be applied based on the criminal and claims history you have disclosed to us.	As shown on your COI	✓	✓

Optional benefit excesses

These excesses replace your basic excess when claiming under these 'Optional benefits' only.

Pet cover excess	$50	✗	✓
Items away from home excess	$300	✗	✓
Mobile phones excess	$200	✗	✓

Types of excesses

Your COI will show the excesses that apply to your policy. One or more of the below excesses may apply to a single claim.

Basic excess

Your basic excess applies to all claims. The amount that you contribute to the claim is shown on your COI. If the same insured event causes loss or damage to both your home and your contents, then you only need to pay one excess. If different excesses apply to your Home Insurance and Contents Insurance policies, then you must pay the higher excess.

Earthquake excess

If an earthquake causes loss or damage to your home or your contents, then the earthquake excess shown on your COI applies during each consecutive 48-hour period. You pay the earthquake excess on top of your basic excess.

Pet cover excess

This excess applies if you make a claim under the optional benefit 'Pet cover'.

Items away from home excess

This excess applies if you make a claim under the optional benefit 'Items away from home'.

Mobile phones excess

If you have the optional benefit 'Mobile phones', then you need to pay a $200 excess for each phone you claim for.

Additional excess

This excess is paid on top of the basic excess or optional benefit excess. The additional excess amount will be shown on your COI.

Claim settlement examples

We have provided the following examples as a guide to help you get a clearer picture of how a claim settlement could typically be calculated.

These are examples only and won't cover all situations where an incident might occur and might not include all available benefits or outcomes. The examples provided do not form part of your policy terms and conditions - they are a guide only.

When assessing actual claims, RACQ Insurance always assesses each claim on an individual basis.

Make sure you understand what is and isn't covered under your insurance policy by reading your PDS, your COI and any SPDS.

Notes about the following claim examples:

- all amounts are shown in Australian dollars and are inclusive of GST,
- all examples assume that you are not registered for GST and
- any excesses used in the examples may not be the same as your excess. Your COI will show you any excesses which are included in your policy.

Example 1 – Large loss

Your city has been hit by a cyclone and your home was one of many that were destroyed as a result. The scale of the event has caused an immediate surge in demand for building materials and trades persons causing your repairs to be delayed. In this example, a basic excess of $850 applies.

Home sum insured amount	$450,000
The cost to rebuild	$400,000
Temporary accommodation (based on 12 months of accommodation at $600 per week assessed rental value. This is paid on top of your sum insured to the provider)	$31,200
Demolition and removal of debris (up to 20% of sum insured. This is paid on top of your sum insured to the provider)	$40,000
Claim so far	$471,200
Less basic excess	-$850
Total claim settlement	$470,350

Example 2 - Mobile phones and Group Items away from home (Optional benefits)

Whilst you are out for the day, you have lost your bag with your mobile phone and tablet inside and are unable to locate it. The cost to replace your mobile phone is $2,500, and the cost to replace your tablet is $1,200.

In this example, the mobile phone excess of $200 and Grouped Items away from home excess $300 will both be applied.

Mobile phone sum insured	$2,200
Grouped items away from home (Option 2)	$1,000
Claim so far	$3,200 (limited)
Less mobile phone excess	-$200
Less items away from home excess	-$300
Total claim settlement	$2,700

Example 3 – Landlord

You have been contacted by your property manager who advised you of significant staining to carpets in all rooms and some large holes in the walls of your tenanted property where the damages are only visible in the inspection now that the tenants have vacated.

In this situation the full bond amount of $2000 was refunded to your property manager however $1000 from this had to be used towards a bond clean of the property. In this example, we deduct the balance remaining of the bond $1000 and the basic excess of $850 still applies.

Home sum insured amount	$450,000
The cost for tenant repairs	$12,500
Less bond refund balance	-$1,000
Less basic excess	-$850
Total claim settlement	$10,650

04 Other information

Additional member benefits

As a member of RACQ you gain access to the RACQ Member Benefits program. RACQ Member Benefits is focused on helping members make everyday life easier and more affordable with discounts and offers across fuel, movies, eGift cards, shopping and more. You can find all of your member benefits at **www.racq.com.au/membership/benefits-and-discounts**.

Financial Claims Scheme

The Financial Claims Scheme protects general insurance policyholders from potential loss if an institution fails. You may be entitled to a payment under the Financial Claims Scheme if you meet their eligibility criteria. If you want more information about the scheme, you can:

call

1300 558 849

visit the Financial Claims Scheme website at

https://www.apra.gov.au/financial-claims-scheme-0

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