RACQ Insurance Ltd ABN 50 009 704 152 AFS Licence 233082

2649 Logan Road, Eight Mile Plains, Qld 4113

PO Box 4, Springwood, Qld 4127

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racq.com

Assistance Banking Insurance Lifestyle

Household Insurance
Supplementary Product Disclosure Statement

This Supplementary Product Disclosure Statement (SPDS) is issued by RACQ Insurance Limited ABN 50 009 704 152 AFS Licence Number 233082 on 18 December 2023.

This SPDS must be read in conjunction with the Household Insurance Product Disclosure Statement (PDS) RHHB2.0822 with an effective date of 15 August 2022. These documents, together with your Certificate of Insurance, form the basis of your insurance cover. For customers who were provided with SPDS RHHB9.0523 issued on 29 May 2023 and SPDS RHHB9.1123 issued on 1 November 2023, this SPDS incorporates and replaces the information in those SPDSs for any renewals from 18 December 2023.

Changes to the PDS which will apply to new policies and renewals from 18 December 2023

This SPDS makes the following important changes to the PDS for new policies and renewals from 18 December 2023:

Changes to the 'Premium & discount guide' section of the PDS

1. Page 109 of the PDS, the section titled ***'How we calculate your premium'***, is deleted and replaced with the following:

How we calculate your premium

To calculate your premium, we assess the likelihood of you making a claim according to various items of information about your policy which we call premium rating factors. The importance of the premium rating 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 over time. The table below shows significant premium rating factors that might affect your premium.

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 the Australian Reinsurance Pool Corporation's assessment of the cyclone and cyclone-related flooding risk of your policy.

Your premium also includes any discounts to which you may be entitled, as well as any applicable government statutory charges, levies, duties, GST and other taxes. Discounts do not apply to any additional premiums for the following optional benefits:

- Mobile Phones;
- Pet Cover;
- Small Business Contents; and
- Items away from home (for the alarm discount and the apartment discount).

Discounts also do not apply to the Excess amount or Premium payment frequency premium factors listed in the table below, the ARPC Charge nor to any applicable government statutory charges, levies, duties, GST and other taxes.

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). RACQ may apply rounding in calculating premiums.

When you change or renew your policy, we review your premium and increase or decrease it in line with any relevant changes to your circumstances. Even if you do not make any changes to your policy, your renewal premium may change. We may choose to limit the amount of any premium increase or decrease you experience on renewal. Your renewal premium may change because the premium is affected by other factors including:

- the cost of claims we have paid and expect to pay in the future,
- new data we have collected on premium rating factors,
- changes to the cost of running our business,
- the ARPC Charge or,
- changes in government statutory charges.

2. Page 109 of the PDS, delete the ***'Premium factors'*** table and replace it with the following (noting that we have only made changes to the ***'Physical characteristics of the home'***) section of the table:

Premium factors	Home	Contents
You		
Claims history Premiums may be lower if you have not made insurance claims in the past.	✓	✓
Your home at the insured address		
Address and location Premiums may be higher if your home is in an area with higher rates of crimes such as theft or breaking and entering. Premiums may be higher if your home is in a low lying area with a higher likelihood of flooding.	✓	✓
Sum insured Premiums may be higher for higher sum insured values chosen by you since there are likely to be greater costs required to rebuild, repair or replace higher valued homes or contents after an accident.	✓	✓
Physical characteristics of the home Premiums may be higher where characteristics of your home that we know about make it more susceptible to crime or more vulnerable to significant weather events. For example, the type of building, age, building material, number of storeys (excluding flats, units and caravans or mobile homes), whether the habitable area of your home is elevated off the ground (excluding caravans or mobile homes), and cyclone protection measures.	✓	✓
Occupancy Whether the dwelling is owner-occupied, being rented out or rented to you may impact your premium. Premiums may be higher if the dwelling is being rented out because there is a higher likelihood of a claim for lost rent or rent default.	✓	✓
Your policy choices		
Excess amount You may choose to lower or increase your basic excess. By lowering your basic excess you will increase your premium and by increasing it you will reduce your premium.	✓	✓
Optional benefits Choosing an optional benefit will increase your premium.	✓	✓
Premium payment frequency There is an additional premium if you choose to pay in monthly instalments, rather than paying them upfront. The additional premium may be referred to as a fee in other policy documents.	✓	✓

Changes to the 'Premium & discount guide' section of the PDS

3. Page 110 of the PDS, the section titled ***'What discounts can be applied to your premium'***, is deleted and replaced with the following:

What discounts can be applied to your premium

You may be entitled to premium discounts. The key premium discounts that are offered by RACQ are summarised in the table below. From time to time, we may also offer other discounts or incentives. RACQ 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.

A discount will only apply to you if you are entitled to the discount based on your circumstances, and the discount continues to be offered by us at the time you take out your policy, or for any renewal of your policy, on the date the renewal is effective. For some discounts, you will only be able to access the discount if you ask us to apply the discounts and we confirm you are entitled to the discount. You may need to give us information for us to assess whether we will apply a discount to you.

When you apply for insurance or we send you an offer to renew your policy, we calculate your premium and then reduce the premium by applying the discounts that you're entitled to. We will show the discounts applied to your premium on your Certificate of Insurance.

We don't apply any premium discounts to additional premiums arising from your policy choices in relation to your excess amount, nor to the portion of your premium which relates to payment frequency. We also don't apply premium discounts to the ARPC Charge (see page 109), nor to any government statutory charges such as GST and Stamp Duty that are included in the cost of your insurance. Discounts also do not apply to the additional premiums associated with the following optional benefits:

- Mobile Phones;
- Pet Cover;
- Small Business Contents; and
- Items away from home (for the alarm discount and the apartment discount).

Premium discounts	Home	Contents
Alarm discount If you have an alarm that is monitored 24 hours a day, 7 days a week by a monitoring facility.	✗	✓
Apartment discount If your home is a townhouse, unit, duplex or flat.	✗	✓
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.	✓	✓
Household excellence bonus If you have held Household Insurance for 5 years or more without making a claim.	✓	✓
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.	✓	✓
No claim discount If you haven't made a claim in the last 12 months.	✓	✓
Over 55 discount If any policyholder is: • aged 55 years or more, and • an owner-occupier or tenant at the insured address If the Senior card holder discount applies to this policy, this discount won't also apply.	✓	✓
Senior card holder discount If any policyholder is: • a government-issued senior card holder, and • an owner-occupier or tenant at the insured address If this discount applies to the policy, the Over 55 discount won't also apply.	✓	✓

Changes to clarify coverage for personal transportation devices

4. Pages 74, 75, 79, 80 and 116 of the PDS.

Page 74 , under the title ***'Items away from home'*** and within the section ***'Items that can be insured away from home'*** and sub-section ***'Sporting and recreational items',*** the first bullet point should be replaced with the following:

✓ • Bicycles and scooters, including their accessories, (except for personal transportation devices).

Page 75 of the PDS, under the title ***'Items away from home'***, within the section ***'You are not covered for',*** under ***'Loss or damage to:',*** add the following bullet point:

✗ • Personal transportation devices.

Page 79, under the title ***'Legal liability exclusions'***, and within the section ***'Anyone'***, under **'You are not covered for'**, the third cross should be replaced with the following:

✗ Using, owning or controlling a vehicle, except for:

- A bicycle or wheelchair or
- Any golf buggy, ride on mower or other garden appliance which doesn't need to be registered by law.

Page 80, under the title ***'Legal liability exclusions'***, and within the section ***'Anyone'***, under ***'You are not covered for'***, add the following exclusion:

✗ Using, owning or controlling a personal transportation device.

Page 116, under title ***'Words with special meaning'***, add the below:

Personal transportation devices	An e-bicycle, e-scooter, unicycle, hoverboard, scooter, skateboard or segway which are all used for personal transportation that has an electric or combustible engine, or is a battery driven device. This does not include devices that are only powered by manual means.

Changes to caravan annexe

5. Page 22, under the title ***'Your home'***, and within the section ***'Building types'***, under ***'You are covered for'***, the forth bullet point should be replaced with the following:

- An unregistered caravan or mobile home including its fixtures, fittings and annexe as long as:
    - you use it solely as your permanent or temporary residence at the insured address and
    - you don't use it on a public road.

Changes to clarify coverage under the 'Advanced cover' benefit

6. Page 69, under the title ***'Advanced cover'***, the entire section from ***'You are covered for'***, up to but not including the word ***'Limit'***, deleted and replaced with:

Loss or damage caused by accidental damage or motor burnout to your home or your contents, for the below:

- Under Home Insurance, we cover accidental damage to fully enclosed and lockable parts of your home. For example, inside your home building or garage.
- Under Contents Insurance, we cover accidental damage to these contents items at your home:
    - Furniture, furnishings, household decorative items, works of art.
    - Wall hangings and household ornaments.
    - Glass in a radio, clock, vase, ornament or lamp.
    - Television or visual display unit.
    - Kitchen, dining room, lounge room, bedroom and bathroom ware and floor carpets.
    - Household and domestic electrical and electronic goods, personal computer equipment and associated hardware.
    - Outdoor furniture in open air.
- Loss or damage to your electrical items as described under the optional benefit 'Motor burnout', which can be found on page 71 of the insurance policy document.

Changes to clarify coverage under 'Broken glass - home'

7. Page 53, under the title ***'Broken glass - home'***, and within the section ***'You are not covered for'***, the second cross should be replaced with the following:

Loss or damage to:

- tiles or tiled furniture,
- a conservatory,
- fish tanks,
- solar panels.

Changes to clarify coverage under 'Items away from home'

8. Page 74 of the PDS.

Under the title ***'Items away from home'***, and within the section ***'You are covered for'***, and sub section ***'Jewellery and watches'***, add the following bullet point:

- Smart watches and personal fitness trackers.

Under the title ***'Items away from home'***, and within the section ***'You are covered for'***, and sub section ***'Electronic and photographic equipment'***, add the following bullet point:

- Headphones

Changes to clarify coverage under 'Locks'

9. Page 61, under the title ***'Locks'***, and within the section ***'You are not covered for'***, add the following exclusion:

Theft of keys outside of the insured address.

Changes to 'Contents in open air'

10. Pages 31 and 116 of the PDS.

Page 31, under the title ***'Additional conditions'***, and within the section ***'Contents in open air'***, deleted and replaced with:

Your contents are in the open air if they are anywhere at the insured address that is not fully lockable and enclosed by weatherproof walls, flooring, and roof. For example, on your uncovered balcony or deck at your home.

If loss or damage happens to your contents when they are in the open air, then:

- under the insured event 'Impact', we don't cover them at all,
- under the insured event 'Theft' we only pay up to 5% of your contents sum insured,
- under the optional benefit 'Advanced cover', we only pay up to 5% of your contents sum insured.

Page 116, under title ***'Words with special meaning'***, should be replaced with the following:

Open air	Anywhere at the insured address that is not fully lockable and enclosed by weatherproof walls, flooring, and roof. For example, on your uncovered balcony or deck at your home.

Changes to General exclusion

11. Pages 10 and 86 of the PDS.

Page 10, under the title ***'What your cover does not include'***, within the section ***'General exclusions'***, ***'Seepage and pollution'*** should be replaced with the following:

Seepage, pollution or contamination

Page 86, the title ***'Seepage and pollution'***, should be replaced with the following:

Seepage, pollution or contamination

Changes to 'Tools of trade'

12. Page 117, under the title ***'Tools of trade'***, should be replaced with the following:

Tools of trade	Tools, devices and equipment that are necessary for your particular occupation or business. This does not include computers, laptops, mobile phones, tablets or home office equipment.

Correction to 'Home modifications after a serious injury'

13. Page 59, under the title ***'Home modifications after a serious injury'***, the entire section from ***'You are covered for'***, up to but not including the word ***'Limit'***, deleted and replaced with:

The additional costs to make required modifications to your home after an insured event if:

- we agree to pay your claim for that insured event and
- the event caused you to become quadriplegic or paraplegic.

We pay this benefit on top of your home sum insured.

Other changes to the PDS

14. Page 5, under the title ***'Snapshot of this PDS'***, within the section ***'What you are responsible for'***, the third sentence is deleted and replaced with:

If you don't comply with any condition or term of your policy, the law may allow us to refuse or reduce a claim and/or cancel your policy.

15. Page 50, under the title ***'Accidental damage, malicious damage or theft by a tenant'***, delete the following exclusion.

You do not comply with 'What you also must do as a landlord' under 'Claim responsibilities' shown on page 97.

16. Page 52, under the title ***'Broken glass – contents (tenant and strata owner)'***, delete the following exclusion.

Any loss or damage if you are covered under another insurance policy including an insurance policy taken out by a body corporate or similar entity.

17. Page 64, under the title ***'Rent default'***, delete the following exclusion.

You do not comply with 'What you also must do as a landlord' under 'Claim responsibilities' shown on page 97.

18. Page 67, under the title ***'Temporary accommodation (tenant and strata owner)'***, delete the following exclusion.

If you are covered under another insurance policy including an insurance policy taken out by a body corporate or similar entity.

19. Page 87, under the title ***'4. What you are responsible for'***, the third sentence is deleted and replaced with the following.

If you don't comply with any condition or term of your policy, the law may allow us to refuse or reduce a claim and/or cancel your policy.

The law restricts us from refusing a claim because of something that was done (or not done) by you or some other person after you entered into the policy, unless it caused or contributed to the loss or damage covered. Applying that law we can only reduce the claim by an amount that fairly represents our prejudice as a result. This means that this law may impact a claim you make under this policy. If you think it does, ask us about this.

20. Page 88, under the title ***'Changes to your circumstances'***, delete the sentence beginning with ***'If any of these changes occur…',*** and replace with the following.

If any of these changes occur, we may need to change the premium or excesses that apply to your policy. We may also decide to cancel your policy, or decide that we will not offer renewal.

If you do not tell us about these changes, the law may allow us to refuse or reduce a claim, and/or cancel your policy.

21. Page 95, under the title ***'5. What you need to know about claiming'***, add the following to the end of the section.

The law restricts us from refusing a claim because of something that was done (or not done) by you or some other person after you entered into the policy, unless it caused or contributed to the loss or damage covered. Applying that law we can only reduce the claim by an amount that fairly represents our prejudice as a result. This means that this law may impact a claim you make under this policy. If you think it does, ask us about this.