

Apia Apartment Style Residence Insurance

Premiums, Excesses, Discounts and
Claims Payment Guide

Rewarding experience



Your Guide to Premiums, Excesses, Discounts and Claims Payments

This Apartment Style Residence Insurance Premiums, Excesses, Discounts and Claims Payment Guide (**PED Guide**) is designed to provide you with additional information about how we calculate premiums for, and pay claims under, this policy.

You should read this Guide together with the Apia Apartment Style Residence Insurance Product Disclosure Statement (PDS), dated 19 October 2012, your certificate, and any Supplementary PDSs we have given you. Words defined in the PDS have the same meaning in this Guide.

This guide applies to policies with a start date or renewal date on or after 1 July 2013.

About your premium

The premium is the amount you pay us for this insurance. It includes the risk premium which reflects what we consider is the likelihood of you making a claim, other factors related to our cost of doing business and any discounts we give you, stamp duty, goods and services tax (GST) and fire services levy if applicable.

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.

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;
- The amount of your excess;
- The optional covers you have chosen.

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; and
- Other commercial factors.

When determining your renewal premium, we also consider how much you paid last time and as such we may limit movements up or down.

Premium discounts

Discounts are also a significant factor that can affect your premium. The premium you pay for your insurance includes any discounts we have given you.

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 or some other special offer as part of a marketing campaign. If we do this, separate terms and conditions will usually apply and you might not be eligible for our usual discounts.

If you are eligible for more than one discount we usually apply any subsequent discount to the already discounted premium. Discounts might not apply to optional covers.

The amount and type of discounts offered can change or be withdrawn.

Government taxes and charges

Contents insurance policies are subject to stamp duty imposed by state and territory governments, GST and in some states, a fire services levy. These charges are usually applied as the final step in the premium calculation.

Excesses

The amount and types of excess that apply to your policy are shown on your certificate and are also described in the PDS. 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.

Valuables and specified valuables excess

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

Unoccupied excess

Refer to the PDS for details of the unoccupied excess.

Claims payment examples

The following examples are designed to illustrate how a claim payment might be typically calculated. They are a guide only. Apia always determines real claim payments on an individual basis, after we have assessed each claim.

Notes about the claims payment examples:

- all amounts are shown in Australian dollars and are GST inclusive;
- all examples assume that the named insured is not registered for GST.

You should read the PDS and your certificate for full details of what we cover as well as what policy limits, conditions and exclusions apply.

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 to settle your claim	Further information
Total amount of liability	\$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 55 of the PDS for full details). You have a \$100 contents excess.

What you are claiming	How much we pay	Further information
Total amount to replace the lounge suite - \$3,000	\$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 has a sum insured of \$90,000 and you have selected optional portable valuables – specified valuables cover of \$4,000 to cover a particular painting in your apartment. 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 specified 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 maybe a combination of replacement through our suppliers and cash.
Specified valuables cover	\$4,000	We are satisfied with the evidence you have provided us about the painting lost in the fire. We pay you \$4,000 for the loss of the listed painting.
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*	\$14,000	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 specified valuables cover arising from the same incident, you pay the higher of your contents and specified valuables excesses. We deduct the applicable \$500 excess from the settlement.
Total claim	\$110,500	

*These additional benefits are paid in addition to your contents sum insured.

Example 4: Portable valuables – valuables cover

You have the optional cover Portable valuables – valuables cover 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 valuables excess.

What you are claiming	How much we pay	Further information
Damaged camera	\$1,000	The most you can claim under Portable valuables – valuables 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: Portable valuables – specified valuables cover

You have insured your engagement ring for \$6,000 under the Portable valuables – specified valuables cover 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 specified valuables excess.

What you are claiming	How much we pay	Further information
Cost to replace your ring	\$5,000	We replace your lost ring new for old 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.