

# Apia Home and Contents Insurance

Premiums, Excesses, Discounts and  
Claims Payment Guide

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Rewarding experience



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# Your Guide to Premiums, Excesses, Discounts and Claims Payments

This Home and Contents 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 Home and Contents 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 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).

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.

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## 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 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;
- 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

Home and 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:

### 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.

### 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.

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## Claims payments

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

You have insured your home. During a dinner party at your home one of your guests was walking down the stairs, the area was dimly 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 to settle your claim	Further information
Total amount of liability	\$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 fees of \$5,000 to the law firm.
<b>Less</b> excess	-\$500	You pay your excess before we settle your claim.
<b>Total claim</b>	\$19,300	

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## Example 2: Damage to home, loss 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 Portable valuables – valuables 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 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	\$2,000	We have a jeweller quote to replace your necklace new for old and it costs us \$2,300. Although you can only claim up to \$1,000 per jewellery item under your contents cover, you can also claim for the loss of your necklace under your Portable valuables – valuables cover to the item limit of \$1,000. We settle you \$2,000 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' additional cover you are covered for a maximum of \$1,000. We reimburse you \$700.
<b>Less excess</b>	-\$750	As you are claiming under both home and contents arising from the same incident, you pay the higher of your home and contents excesses. We deduct the applicable \$750 excess from the settlement. In this case, because your contents excess is higher than your valuables excess, your valuables excess does not apply.
<b>Total claim</b>	\$6,750	

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

Your home has a sum insured of \$350,000. Your contents sum insured is \$80,000 and you have selected optional Portable valuables – valuables 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 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*	\$12,000	Before rebuilding commences it costs \$12,000 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 \$12,000 directly to the builder.
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 (and for the Removal of debris* see above) 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 Portable valuables – valuables cover	\$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 maybe a combination of replacement through our suppliers and cash.
Temporary accommodation*	\$20,000	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 valuables excess, your valuables excess does not apply.
<b>Total claim</b>	<b>\$486,500</b>	

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

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#### 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.
<b>Less excess</b>	-\$100	We deduct your excess from the settlement we give you.
<b>Total claim</b>	\$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.
<b>Less excess</b>	-\$100	You pay your excess before we settle your claim.
<b>Total claim</b>	\$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.