

# Contents and Car Insurance Supplementary Product Disclosure Statement

# Essentials by AAI

**This is a Supplementary Product Disclosure Statement (SPDS) issued by AAI Limited ABN 48 005 297 807 AFSL No. 230859. This SPDS was prepared on 18 May 2022.**

This SPDS supplements the Essentials by AAI Product Disclosure Statement, prepared date 8 December 2020 and must be read together with the PDS that you hold and any other SPDS we may give you for this PDS.

The purpose of the SPDS is to:

- update information about how we will pay claims under the Additional feature 'Food and medication spoilage' and under the insured event 'Motor burnout';
- update information about how we will settle claims under 'How we settle contents claims' add a new section 'For additional features' to update information about how we will settle claims under those covers;
- update information about 'What we cover as your car' section to include paint protection and add a definition of paint protection, and to update how we cover paint protection on your car, proof for paint protection and how we will settle claims for paint protection; and
- update the exclusion 'Incorrect fuel usage' in 'What we do not cover - car insurance'.

## Changes to this PDS

1. In 'Motor burnout' on page 30, above the heading 'Replacing the whole appliance' add:

### **Paying you**

If you have already had the motor repaired or replaced when you lodge a claim, this means we are not able to repair or replace the motor or arrange for someone to do this and we will pay you the reasonable cost of the repair or replacement of the motor. This also means the second dot point under the heading 'What you must not do' for contents insurance on page 68 does not apply to motor burn out.

2. On page 31 under the heading 'Additional features' at the end of the last sentence on this page add the following words:

All of the conditions of this policy apply to these additional features unless the cover says otherwise.

3. Under the heading 'Food and medication spoilage' on page 33, add under the 'We cover' section:

See 'How we settle contents claims' on page 74 for how we settle claims under this additional feature.

4. The paragraphs below the heading 'How we settle contents claims' on page 74 and above the heading 'When we settle contents claims we will not' on page 75 are deleted and replaced with:

When your claim for loss, theft or damage to your contents is covered, your contents may be replaced, repaired or we may pay you.

We will aim to use a member of our supplier network to repair or replace damaged contents.

Sometimes this is not always possible or practical and this will determine how your contents claim will be settled.

This will not be possible or practical where:

- there is pre-existing damage to your contents item(s) or it is unsafe to repair them;
- we do not have a supplier for the lost or damaged items (or we do not have a supplier available in your area);
- the lost or damaged items cannot be itemised or measured (e.g. items that have been completely destroyed);
- there is no expertise available in Australia to repair the item;
- the contents are consumables or low value items; and/or
- replacement(s) for the contents item(s) are not available readily at a supplier(s) convenient to you.

We will tell you if this is the case and we will settle your claim by paying you, see 'Paying you' below.

How we settle will depend on the circumstances of the claim including the cost of repair or replacement, your sum insured and any lower policy limits.

If the cost of repair or replacement exceeds your contents sum insured, you will be paid your contents sum insured.

### **Repairing your contents**

We will engage a repairer within our supplier network who is able to complete the repairs to your contents to provide a quote. If the quoted cost to repair the item is less than the cost of replacement, we will authorise the repairs.

### **Replacing your contents**

If the quoted cost to repair is more than the cost of replacement on a 'new for old' basis or if the contents item cannot be repaired, you have the option to accept a replacement on a 'new for old' basis sourced through our supplier network. See page 75 for what 'new for old' means.

### **Paying you**

We will pay you to settle your claim:

- If you do not accept an offer to repair the contents item, you will be paid the quoted cost.
- If you do not accept an offer to replace the contents item, you will be paid the amount of our supplier's assessed quote to replace the item through our supplier network. This may be less than what it would cost you to arrange the replacement in the market. We are able to secure supplier discounts from within our supplier network.
- If it is not possible or practical for us to repair or replace damaged contents, we will pay you the amount of your repairer's/supplier's assessed quote to repair or replace them on a 'new for old' basis.

To work out the amount of the assessed quote we will review the quote(s) provided by our supplier or if it is not possible or practical for us to repair or replace the damaged contents, the quote(s) you have provided to repair or replace the damaged contents, and assess those quote(s) to make sure that each quote is appropriate and

reasonable for the scope of services or goods. This includes a consideration of the appropriateness of materials, repair method, labour and material costs and overall cost assessed to repair or replace the contents on a 'new for old' basis.

We will pay you by cheque or direct deposit into your bank account, or if available, you can choose to be paid with a voucher, store credit or stored value card.

5. On page 60 delete the exclusion 'Incorrect fuel usage', and replace with:

**Incorrect fuel usage and other fluid usage**

loss or damage to your car (including damage to your car's engine or fuel system) caused by a fuel or other fluid being used other than the fuel or fluid recommended by the car's manufacturer.

For example, putting exhaust fluid into the fuel tank, putting petrol into a diesel fuel tank or vice versa.

6. On page 82 above the heading 'Our right to recover from those responsible' insert new section:

**For additional features**

If we pay a claim under an additional feature for contents or for car, we will settle your claim in accordance with that additional feature. For the additional feature 'Food and medication spoilage' (see page 33) we will only settle the claim by paying you. This means that we will not repair or replace or arrange for a service.

If we settle your claim by paying you, we will pay you by cheque or direct deposit into your bank account, or if available, you can choose to be paid with a voucher, store credit or stored value card.

7. On page 13 under 'Choosing your cover', under the 'CARCOVER' section, remove:

CarCover provides limited cover for your car of up to \$3,000 for any one incident for loss or damage covered under your policy and comes with some additional features.

and replace it with:

CarCover provides limited cover for your car of up to **\$3,000** for any one incident for loss or damage to your car covered under your policy (including paint protection covered under your policy), and comes with some additional features.

8. On page 14 under 'CarPlus' section, remove:

CarPlus provides the same cover as CarCover but has a higher limit of up to \$5,000 for any one incident for loss or damage covered under your policy,

and replace it with:

CarPlus provides the same cover as CarCover but has a higher limit of up to \$5,000 for any one incident for loss or damage to your car covered under your policy (including paint protection covered under your policy).

9. On page 51 under the heading 'What we cover as your car', insert the following below modifications:

It also includes paint protection. (see page 90).

10. On page 51 under the heading 'What we cover as your car' under the 'but not' add:

– any protection for your car's paint (except for paint protection).

11. On page 53 under the heading 'Accidental loss or damage to your car' delete under the 'We cover' section:

We will cover you for accidental loss or damage to your car caused by an incident anywhere in Australia in the period of insurance. Examples of incidents covered include:

- hail, storm and flood;
- fire;
- theft or attempted theft;
- malicious damage or vandalism;
- collision and impact.

and replace it with:

We cover accidental loss or damage to your car caused by an incident anywhere in Australia in the period of insurance.

Examples of incidents covered include:

- hail, storm and flood;
- fire;
- theft or attempted theft;
- malicious damage or vandalism;
- collision and impact.

If we cover loss or damage to your car, we also cover paint protection that was on the damaged parts of your car prior to the incident. You may be able to show this by providing warranties or receipts (see page 69).

12. One page 53 under the heading 'Accidental loss or damage to your car' delete under the 'Limit' section:

The most we will pay for loss or damage to your car covered under your policy for any one incident is:

and replace it with:

The most we will pay for loss or damage to your car covered under your policy (including paint protection covered under your policy) for any one incident:

13. On page 69 under the heading 'Describe your loss or damage' insert the following sentence:

For paint protection, you must give us proof that paint protection was on the damaged parts of your car prior to the incident. Proof includes things like warranties and sales receipts. A statutory declaration is not of itself considered acceptable evidence of proof. If you are unable to substantiate your claim, we can reduce or refuse to pay your claim for paint protection.

14. On page 77 under the heading 'How we settle car claims' remove:

If your claim for loss, theft or damage to your car is covered under your policy we will either:

and replace it with:

If your claim for loss, theft or damage to your car is covered under your policy we will either (except for paint protection see below):

15. Below the section 'How we settle car claims' on page 77 add the new section:

**For a car with paint protection**

We will pay you the amount of the assessed quote from your repairer for paint protection covered under your policy. This means we will not re-apply the paint protection or arrange for someone to do this.

16. In 'What do we mean by that?' on page 90, insert the new definition above 'Period of insurance':

**Paint protection**

is a film professionally applied to painted surfaces of a new or used car in order to protect the paint.

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