



SHARE THE PASSION

**HOME & CONTENTS
INSURANCE
ADDITIONAL INFORMATION
GUIDE**

INSURANCE FOR MOTORING ENTHUSIASTS

This Additional Information Guide (AIG) is designed to provide you with additional information about how we pay claims, about excesses, how we calculate premiums and the discounts available under the policy. You should read this AIG together with our Shannons Home and Contents Insurance Product Disclosure Statement (PDS) dated 3/12/2020.

This guide applies if your policy has a commencement date or a renewal date on or after 23 March 2021.

Claims payment examples

The following examples are designed to illustrate how a claim payment might typically be calculated. The examples do not cover all scenarios or all benefits and do not form part of your policy terms and conditions. They are a guide only. Shannons always determines real claim payments on an individual basis, after we have assessed each claim. You should read the PDS and your certificate for full details of what we cover as well as what policy limits, excesses, conditions and exclusions apply.

Notes about the claims payment examples:

- when you make a claim you can choose whether to pay your excess(es) to us or, if applicable, deduct them from the amount we pay you;
- all amounts are shown in Australian dollars and are GST inclusive;
- all examples assume that the named insured is not registered for GST.

The claims payment examples that apply to your policy depend on whether you have:

- home and/or contents cover when you own the home and live in it or contents cover for your contents if you live in a unit or are a tenant; or
- home cover when you own the home and rent it out.

Home and/or contents cover when you own the home and live in it or contents cover for your contents if you live in a unit or you are a tenant

Example 1 – Legal liability cover

You have insured your home. While you were mowing your front lawn a stone is thrown up by the mower and hits a person walking along the footpath past your front yard and causes injury to them. You advise that a claim has been made against you and we engage lawyers on your behalf. A court decides that you are liable to pay \$10,000 to the injured person who has made a claim against you. A home excess of \$200 applies to your policy.

HOW MUCH WE PAY		FURTHER INFORMATION
An indemnity for your liability for personal injury to a third party	\$10,000	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 \$10,000.
Legal fees	\$10,000	Lawyers' fees to defend you are \$10,000. We pay the law firm for their fees.
Less excess	-\$200	You pay your excess directly to us.
Total Claim	\$19,800	

Example 2 – Accidental damage to contents

You have insured your contents for \$60,000. You have also selected and paid for the optional 'Accidental loss or damage cover' and this is shown on your certificate. A new entertainment unit for your television is delivered to your house. While you were carrying your television across the lounge room to put it on the new entertainment unit you stumbled on a floor rug and dropped it on the timber floor. The television no longer works when you try to turn it on. A contents excess of \$200 applies to your policy.

HOW MUCH WE PAY		FURTHER INFORMATION
Television	\$3,200	The television cannot be repaired and you agree to a new replacement television. We arrange with a supplier for a replacement television. Although the retail price of the television is \$3,500 it costs us \$3,200 to replace the television for you through our supplier.
Less excess	-\$200	You pay your excess directly to us.
Total Claim	\$3,000	

Example 3 – Accidental damage to home

Your home sum insured is \$350,000. You have also selected and paid for the optional 'Accidental loss or damage cover' and this is shown on your certificate. While carrying a ladder down the hallway to check the batteries in your smoke detectors you accidentally hit the wall with the ladder and made a large hole in the wall. The cost to repair this accidental damage is \$1,100. A home excess of \$200 applies to your policy.

HOW MUCH WE PAY		FURTHER INFORMATION
Hallway repairs	\$1,100	We arrange for a builder to quote to repair the hole in your wall and repaint the damaged area. You request a cash settlement. The assessed quote is \$1,100. You arrange the repairs.
Less excess	-\$200	We deduct the excess from the amount we pay you.
Total Claim	\$900	

Example 4 – Theft of contents, replacement of locks and keys

You have insured your contents for \$50,000. Electrical items with a retail replacement value of \$4,000 were stolen from your home as well as spare keys for the house that were sitting on the kitchen bench top. While gaining entry to the home the thieves also damaged the front door lock. A contents excess of \$200 applies to your policy.

HOW MUCH WE PAY		FURTHER INFORMATION
Electrical items	\$3,700	You agree for us to arrange the replacement items for you with a supplier. Although the retail price of the items is \$4,000, it costs us \$3,700 to replace the items for you through our supplier.
Locks and keys	\$800	You arrange for the replacement of all external door and window locks and keys. Under the 'Lock replacement (after theft of keys)' additional cover you are covered for a maximum of \$1,000. We reimburse you \$800 as this is how much it cost to replace the locks and keys.
Less excess	-\$200	Your \$200 contents excess for your contents claim has been deducted from the reimbursement of locks and keys replacement costs.
Total Claim	\$4,300	

Example 5 – Damage to enthusiast items: motoring memorabilia

You have insured your contents for \$80,000 and also taken out the optional 'Accidental loss or damage cover'. You automatically have cover for loss or damage to enthusiast items under the additional cover 'Enthusiast items'. Because you have selected the optional 'Accidental loss or damage cover' then accidental loss or damage is an insured event and cover is provided for enthusiast items for up to \$10,000 in total. While you were carrying items over to a newly purchased memorabilia display you stumbled on a floor rug and knocked the display and its contents over. A number of model cars were damaged when they fell to the floor. An enthusiast items excess of \$200 applies to your policy.

HOW MUCH WE PAY		FURTHER INFORMATION
Memorabilia	\$3,000	The assessed quote to replace the model cars from a specialist hobby shop is \$3,000. You request a cash settlement.
Less excess	-\$200	This excess amount is deducted from your cash settlement.
Total Claim	\$2,800	After deducting your excess of \$200 from the settlement we pay you \$2,800.

Example 6 – Total loss, removal of debris, other repair/rebuilding costs

Your home sum insured is \$350,000. Your contents sum insured is \$80,000 and you have selected and paid for optional 'Personal effects – unspecified items' 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, a \$500 contents excess and a 'Personal effects – unspecified items' excess of \$100 apply to your policy.

HOW MUCH WE PAY		FURTHER INFORMATION
Building costs	\$340,000	Our builder quotes us \$340,000 to rebuild your home new for old. You wish to proceed with the rebuild. We pay the builder \$340,000.
Removal of debris	\$20,000	Before rebuilding commences it costs \$20,000 to demolish and remove the damaged structure. Under the additional cover 'Removal of debris' we will pay reasonable costs for demolishing and removing damaged parts of your home up to 10% of your home sum insured. We pay the builder directly.
Architect's fees	\$12,000	Under the additional cover 'Other repair/rebuilding costs' we will pay the reasonable costs for the services of professionals such as architects, up to 10% of the sum insured of your home. We pay \$12,000 directly to the architect.
Extra rebuilding costs	\$20,000	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 cover 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 Personal effects – unspecified items	\$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 is a combination of replacement through our suppliers and cash.
Temporary accommodation	\$26,000	Under the 'Temporary accommodation when you have home cover' additional cover, you are covered for reasonable temporary accommodation costs you incur in short term accommodation (up to 4 weeks only) and residential accommodation up to 10% of the home sum insured. In this case, you needed 40 weeks temporary accommodation and this costs \$26,000. 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. In this case, "your contents claim is under both contents and the optional personal effects cover. The higher of either excess applies". Because your contents excess is higher than your personal effects excess, your contents excess applies. We deduct the applicable \$500 excess from the cash settlement portion of your claim.
Total Claim	\$500,500	

Example 7 – Personal effects – unspecified items

You have the optional cover 'Personal effects – unspecified items' shown on your certificate. Whilst bushwalking you accidentally drop your camera and it is damaged. Your camera cannot be economically repaired and needs to be replaced. The cost to replace the camera is \$1,200 and a \$100 'Personal effects – unspecified items' excess applies to your policy.

HOW MUCH WE PAY		FURTHER INFORMATION
Damaged camera	\$1,000	The most you can claim under Personal effects – unspecified items cover for any one item is \$1,000.
Less excess	-\$100	We deduct your excess from the settlement amount we pay you.
Total Claim	\$900	

Example 8 – Personal effects – specified items

You have insured your engagement ring for \$6,000 under the optional cover 'Personal effects – specified items' on your policy. While you were swimming at your local beach your ring slipped off your finger and you are unable to find it. A \$100 'Personal effects – specified items' excess applies to your policy.

HOW MUCH WE PAY		FURTHER INFORMATION
Engagement ring	\$5,000	We will pay up to the sum insured shown on your certificate for the ring. We replace your lost ring new for old and arrange a jeweller to make a new ring of the same type, standard and specification. We pay the jeweller \$5,000.
Less excess	-\$100	You pay your excess directly to us.
Total claim	\$4,900	As we have replaced your engagement ring this item is removed from your policy and there is no refund of the premium. If you want to insure the replacement ring then you will need to apply for new cover.

Home cover when you own the home and rent it out

Example 1 – Legal liability

You have insured your tenanted home. Your tenant has made a claim against you for his out of pocket expenses and loss of wages for the amount of \$10,000 arising from injuries in a fall from tripping over a large crack running across the driveway of your property. We assess this claim and agree you are liable for this amount. A \$200 home excess applies to your policy.

HOW MUCH WE PAY		FURTHER INFORMATION
An indemnity for your liability for personal injury to a third party	\$10,000	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 \$10,000.
Less excess	-\$200	You pay your excess directly to us.
Total claim	\$9,800	

Example 2 – Total loss, removal of debris, other repair/rebuilding costs, loss of rent

You have insured your tenanted home for \$350,000. There is a fire at your home and your home is a total loss. Your home was rented under a rental agreement to a paying tenant at the time of the fire. A home excess of \$200 applies to your policy.

HOW MUCH WE PAY		FURTHER INFORMATION
Building costs	\$340,000	Our builder quotes us \$340,000 to rebuild your home new for old. You wish to proceed with the rebuild. We pay the builder \$340,000.
Landlord furnishings	\$17,500	Under the additional cover 'Landlord furnishings' we will pay up to 5% of your home sum insured towards replacing your domestic furnishings, furniture and carpet. We pay suppliers \$17,500.
Removal of debris	\$15,000	Before rebuilding commences it costs \$15,000 to demolish and remove the damaged structure. Under the additional cover 'Removal of debris' we will pay reasonable costs for demolishing and removing damaged parts of your home up to 10% of your home sum insured. We pay \$15,000 directly to the builder.
Architect's fee	\$12,000	Under the additional cover 'Other repair/rebuilding costs' we will pay reasonable costs for the services of professionals such as architects up to 10% of the sum insured of your home. We pay \$12,000 directly to the architect.
Extra rebuilding costs	\$20,000	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 cover 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.
Loss of rent	\$20,000	Under the additional cover 'Loss of rent due to an insured event' you are covered up to the weekly rental amount (as defined in the PDS) for the time it should take to repair or rebuild the home so it can be lived in again. We pay you the weekly rental amount for the time it should take to rebuild the home.
Less excess	-\$200	We deduct your \$200 home excess from the settlement amount we pay you.
Total claim	\$424,300	

Example 3 – Partial loss – Loss of rent – tenant default

Your home has a sum insured of \$260,000. Your tenant signed a 12 month written rental agreement where the weekly rent after agent's commission is \$350. Your tenant leaves the home without notice and has not paid you the last 12 weeks of rent owing on the rental agreement. That same tenant also deliberately put a hole in one of the walls of your home. It takes you 10 weeks to secure a suitable replacement tenant. Your home excess is \$1,000.

HOW MUCH WE PAY		FURTHER INFORMATION
Loss of rent	\$2,100	Under the additional cover 'Loss of rent – tenant default' we will pay for loss of rent if your tenant permanently leaves the home without giving you notice. The first 4 weeks of lost rent is not claimable. After the first 4 weeks we will pay loss of rent for up to a further 14 weeks or until the date you re-let your home to a new tenant (whichever happens first). As you secure a new tenant after 10 weeks we pay you for 6 weeks at \$350 per week.
Less excess	\$0	No excess applies to the 'Loss of rent – tenant default' cover (but there is a four week wait period as explained above).
Damage to wall	\$0	As your home excess of \$1,000 is more than the cost to repair the damage to the wall, you decide to withdraw this claim.
Total claim	\$2,100	

Example 4 – Partial loss, landlord furnishings, loss of rent following an insured event

Your home has a sum insured of \$400,000. Your tenant's weekly rent, after agent's commission, is \$450. During a severe storm your home partially loses its roof and rainwater damages the carpets in the lounge room. A home excess of \$200 applies to your policy.

HOW MUCH WE PAY		FURTHER INFORMATION
Roof repairs	\$15,000	We cover what it costs to repair the roof and arrange for a builder to carry out the repairs. We pay \$15,000 directly to the builder.
Carpet restoration	\$1,500	Under the additional cover 'Landlord furnishings' we will pay up to 5% of your home sum insured for loss or damage to your domestic furnishings, furniture and carpet caused by an insured event. In this instance we pay the carpet cleaners for the restoration of the carpet.
Loss of rent	\$900	Your tenant needs to move out for two weeks while repairs are completed. Under the additional feature 'Loss of rent due to an insured event' you are covered up to the weekly rental amount (as defined in the PDS) for the time it should take to repair or rebuild the home so it can be lived in again. We pay you for your loss of rent for two weeks.
Less excess	-\$200	You pay your excess directly to us.
Total claim	\$17,200	

Excess – an amount you pay towards the cost of your claim

An excess is the amount you pay towards the cost of your claim for each incident covered under your policy. You might have to pay more than one type of excess when you claim.

The total excess you are required to pay is determined by the circumstances of your claim. The amount and types of excesses are shown on your certificate or 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.

Personal effects excess

The 'Personal effects – unspecified items' excess that applies to your policy can vary based on our assessment of the risk. If you apply to vary your 'Personal effects – unspecified items' excess and we agree to the variation, your 'Personal effects – unspecified items' excess will be the amount chosen by you from our range.

The 'Personal effects – specified items' excess that applies to your policy can vary based on our assessment of the risk. If you apply to vary your 'Personal effects – specified items' excess and we agree to the variation, your 'Personal effects – specified items' excess will be the amount chosen by you from our range.

Enthusiast items excess

The 'Enthusiast items' excess that applies to your policy can vary based on our assessment of the risk. If you apply to vary your enthusiast items excess and we agree to the variation, your 'Enthusiast items' excess will be the amount chosen by you from our range.

About your premium

The amount you pay for this insurance is called the premium. Your premium includes any applicable GST, stamp duty, other government charges and any levies that apply. The premium will be shown on your certificate as the 'Total Amount Payable' or, if you pay by monthly instalments, as the 'Instalment amount'.

When we calculate your premium, there are a range of factors we take into account, including the level of cover you choose. 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.

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 charges or levies;
- our expenses of doing business;
- other commercial factors.

When determining your renewal premium, we also consider how much your premium was previously. As such we may limit movements up or down to avoid large changes in premiums across periods of cover. Significant factors affecting your premium include a combination of some or all of the following:

FACTOR
The address where the home and/or contents are located
Home and/or contents sum insured
The construction material and other characteristics of the home or unit
The policy options you have chosen
The excess you choose
How the building or unit is occupied

Premium discounts

Discounts are also a factor that can affect your premium. The premium you pay for your insurance includes any discounts we have given you. Any discounts are usually calculated and applied before the application of government taxes, charges and levies.

Occasionally special discounts or promotions are offered in our marketing campaigns. If we do this, separate terms and conditions may apply.

If you are eligible for more than one discount, we usually apply any subsequent discount to the already discounted premium. The amount and type of discounts offered can change or be withdrawn.

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 46 46.

Government taxes and charges

Home and contents insurance policies are subject to stamp duty, imposed by state and territory governments, GST and if applicable other government charges and levies.

Financial Claims Scheme

This policy may be a 'protected policy' under the Federal Government's Financial Claims Scheme (FCS) which is administered by the Australian Prudential Regulation Authority (APRA).

The FCS only applies in the extremely unlikely event of an insurer becoming insolvent and the Federal Treasurer making a declaration that the FCS will apply to that insurer.

The FCS entitles certain persons, who have valid claims connected with certain protected policies issued by that insurer to be paid certain amounts by APRA.

You can find more information about the FCS from APRA at www.fcs.gov.au