

Supplementary Product Disclosure Statement

This is a Supplementary Product Disclosure Statement (SPDS). It supplements the following Product Disclosure Statement (PDS) prepared by AAI Limited ABN 48 005 297 807 AFSL No. 230859 (trading as Vero Insurance):

▼ **Superior Home & Contents Insurance Product Disclosure Statement V5959, prepared date 18 December 2008**

This SPDS must be read together with the above PDS and any other SPDSs issued by AAI Limited ABN 48 005 297 807 AFSL No. 230859 (trading as Vero Insurance) that have been given to you in relation to this PDS.

The purpose of this SPDS is to:

- ▼ advise you of changes to limits and scope of cover;
- ▼ update information about how we handle complaints;
- ▼ include information about the Financial Claims Scheme.

This document updates the information in the above PDS.

Important changes to this PDS

We have made the following changes to this PDS that we need to tell you about. The changes apply to the PDS listed above.

Change to limits

Page	Description	Current limit	New limit
44 and 45	11. Change of site – maximum time contents at both sites are covered	30 days	45 days
47	18. Monitored alarm attendance after burglary	\$1,250	\$2,500
49 and 50	26. Compensation for death quadriplegia or paraplegia – change applies to each limit referred to in this benefit	\$10,000	\$15,000
50	27. Modifications to the home	\$10,000	\$25,000
51	33. Building materials	\$1,000	\$2,000
51	35. Fire Brigade Attendance Fees	\$500	\$700

Page 27

- ▼ In the section “What ‘contents’ means”, delete point (j) entirely and replace with the following:
 - “(j) any of the following equipment (provided it does not require registration):
 - ▼ golf buggies,
 - ▼ ride-on lawn mowers,
 - ▼ motorcycles, trail bikes and mini bikes up to 250cc engine capacity,
 - ▼ garden equipment, or
 - ▼ wheelchairs,”

Page 58

- ▼ In the section “Changes”, delete the reference to “90 days” in the second dot point and replace with “100 days”.
- ▼ In the section “Unoccupancy” delete the references to “90 consecutive days” in all three paragraphs and replace with “100 consecutive days”.

Changes to current wording

Pages 19 and 20

Delete the entire section titled "How we resolve your complaints" on pages 19 and 20 of the PDS and replace it with the following:

"How we will deal with a complaint

If you have a complaint about our products or services (even if through one of our service providers) or our complaints handling process, please let us know so that we can help.

You can do this by contacting your insurance broker directly.

Alternatively you can contact us:

By phone 1300 361 028

By fax 1800 032 644

In writing **SME Underwriting Services**
GPO Box 1453
Brisbane QLD 4001

Please include the full details of your complaint and explain what you would like us to do.

When we receive your complaint, we will consider all the facts and attempt to resolve your complaint by the end of the next business day.

If we are not able to resolve the matter to your satisfaction, it will be referred to the relevant team leader or manager, who will review your complaint and contact you with their decision within 5 business days of us receiving your complaint.

If you remain dissatisfied the matter will be referred to our Internal Disputes Resolution (IDR) team. Our IDR team will review your complaint, and provide you with their final decision within 15 business days of your complaint being referred to them.

The contact details for our IDR team are:

By phone 1300 264 470

By fax 1300 316 047

In writing **Internal Dispute Resolution**
Vero Insurance
GPO Box 14180
Melbourne City Mail Centre VIC 8001

By email idr@vero.com.au

If we require additional information for our assessment or investigation of your complaint, we will agree with you a reasonable alternative timeframe to resolve your complaint.

If we are unable to resolve your complaint within 45 days, you may take your complaint to the Financial Ombudsman Service (the FOS), even if we are still considering it. The contact details for the FOS are set out below.

What if you are not satisfied with our final IDR decision?

We expect our procedures will deal fairly and promptly with your complaint. However, if you remain dissatisfied, you may be able to access the services of the FOS. The FOS is an independent external dispute scheme and their service is free to you. Any decision the FOS makes is binding on us, provided you also accept the decision. You do not have to accept their decision and you have the option of seeking remedies elsewhere.

The FOS is available to customers who fall within their terms of reference. The FOS will advise if they can help you.

You can contact FOS:

By phone 1300 780 808 (for the cost of a local call)

By fax (03) 9613 6399

In writing **Financial Ombudsman Service**
GPO Box 3
Melbourne VIC 3001

By email info@fos.org.au

By visiting www.fos.org.au

Page 22

Insert the following heading and wording after the end of the section titled 'Code of Practice' on page 22 of the PDS:

"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 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.

Information about the FCS can be obtained from APRA at www.apra.gov.au or by calling 1300 55 88 49."

Page 28

- ▼ In the section "What 'contents' means" which begins on page 27, delete point (l) entirely and replace with the following:

"(l) property (including furniture and equipment) used by you or your family in connection with your own business or occupation carried on in a surgery or office in the home and tools, equipment and stock used for earning income by you or your family."

Page 30

- ▼ In the section "What you are insured against, and what you are NOT" which commences on page 29, delete in its entirety the paragraph which comes immediately after point (r) and replace with the following:

"You are NOT covered for loss or damage caused by tenants but we will cover such loss or damage to the extent it is covered under the following specified events only:

- ▼ fire,
- ▼ explosion,
- ▼ impact, **but only** by a vehicle.

You are also covered for malicious damage by tenants, **but only** to the extent outlined in the additional benefit "Malicious Damage by Tenants" on page 52."

- ▼ In point (a) under the section "Home", delete the second dot point entirely and replace with the following:

- ▼ "replace the home to a condition substantially the same as, but not better than when new, except for built in dishwashers and air conditioners with less than a 3 star energy rating which we will, if you agree, replace with a minimum 3 star energy rating if this is available. It can be a different brand,"

Page 33

- ▼ In point (a) under the section "Contents", delete the second dot point entirely and replace with the following:

- ▼ "replace the items with items substantially the same as, but not better than when new, except for refrigerators, freezers, free-standing dishwashers and air conditioners, washing machines and dryers with less than a 3 star energy rating which we will, if you agree, replace with a minimum 3 star energy rating if this is available. It can be a different brand,"

Page 35

- ▼ On the table on page 35, add a new row under the columns "Contents where a maximum limit applies" and "Maximum Limit for each event" after the row titled (d) which says:

(e) Stock used in your trade, business or profession	\$1,000 in total
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- ▼ In the "Note" section underneath the table on page 35, delete the first sentence entirely and replace with the following:

"If you ask us, and we agree, you may obtain higher limits for (a), (b), (c), (d) or (e) by having any of these items specified on your Schedule."

Page 39

- ▼ Delete the words in section (f) entirely and replace with the following:

"(f) the ownership, custody, or use of any lift, other than a lift that exclusively services the home provided that the home is freestanding and solely occupied by you and your family, aerial device or aircraft (except model aircraft or toy kites) or aircraft landing area,"

- ▼ In section (g) add the following words as a new paragraph after the last dot point:

"This exclusion does not apply to your liability for personal injury to persons while they are attending a domestic garage sale provided:

- ▼ the garage sale is held at the site;
- ▼ the goods sold belong to you or your family or immediate family members that do not live with you;
- ▼ the goods sold are second hand domestic goods only sold in domestic quantities;
- ▼ the sale does not form part of a business trade or profession;
- ▼ the goods sold have not been purchased for the sole purpose of re-sale; and
- ▼ you do not hold more than one garage sale per period of insurance."

Page 40

- ▼ Under the section "Additional benefits", delete the second paragraph entirely and replace with the following:
"We pay all additional benefits 1 to 38 over and above your sum insured for home and contents, depending on the type of cover you have chosen."

New additional benefit

Page 52

- ▼ Add the following cover to follow "37. Malicious Damage by Tenants":

"38. Environmental Improvements

We provide cover for the costs associated with the purchase and installation of environmental improvements at the site such as a rainwater tank, solar system or compost equipment when all of the following applies:

- ▼ we have accepted a claim under this Policy for loss or damage to the home and declared it a total loss; **and**
- ▼ the home does not already have the relevant environmental equipment; **and**
- ▼ we are authorising or arranging the repairs or replacement of the home; **and**
- ▼ you have sought our agreement prior to purchasing or installing the relevant environmental equipment.

The most we will pay is up to **\$5,000** of your net costs* in purchasing and installing the approved environmental improvement.

*Net cost is the amount you spend after deducting any government subsidy to which you are entitled to at the date of the loss, whether you claim this subsidy or not. You must supply us with proof of the amount you spent before we will pay you.

We do not pay for:

Any amount covered under any other Additional benefit."

Further information

If you need more information, or you have questions about these changes, please contact your insurance broker.