

# 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 230859:

- ▼ Nepean Insurance Brokers Bed and Breakfast Business Accidental Damage Insurance Policy PDS (V6404) Date prepared 30 June 2008

This SPDS must be read together with the PDS and any other SPDSs issued by AAI Limited ABN 48 005 297 807 AFSL 230859 that have been given to you in relation to the PDS.

This document updates the information in the PDS.

## Important change to this PDS

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

## 1. Change of company name

On 1 October 2012, the insurer and issuer of the product, Vero Insurance Limited has changed its company name to AAI Limited, but the company's ABN 48 005 297 807 and AFSL No. 230859 remain the same. AAI Limited will continue to trade under the name 'Vero Insurance'.

## 2. How we resolve your complaints

Delete the section marked 'How we resolve your complaints' starting on page vi of the PDS and replace with the following:

### Complaints resolution

We are committed to:

- ▼ listening to what **you** tell **us**;
- ▼ being accurate and honest in telling **you** about **our** products and services;
- ▼ communicating with **you** clearly; and
- ▼ resolving any complaints or concerns **you** have in a fair, transparent and timely manner.

If **you** have a complaint concerning this product or **our** services, please tell the people who provided **your** initial service or **you** can contact **us** by:

- ▼ Telephone: 1800 689 762
- ▼ Mail: Reply Paid 1453 Customer Relations Unit RE058,  
GPO Box 1453 Brisbane QLD 4001 or
- ▼ Email: customer.relations@suncorp.com.au

### What We will do to resolve Your complaint

When **you** first let **us** know about **your** complaint or concern, **we** will review **your** complaint, consider the facts and attempt to resolve **your** complaint by the end of the next working day.

If **we** cannot resolve **your** complaint to **your** satisfaction within five (5) working days **we** will contact **you** to agree reasonable alternative time frames. **We** will endeavour to send **you** our final decision within fifteen (15) working days from the date **you** first made **your** complaint provided **we** have all necessary information and have completed any investigations required. If **you** are not satisfied with **our** decision, at **your** request **we** will refer **your** complaint to **our** Internal Dispute Resolution (IDR) team. **Our** IDR team will review **your** complaint and endeavour to send **you** their final decision within fifteen (15) working days from the date **your** complaint was referred to them. If **our** IDR team requires further information, assessment or investigation of **your** complaint, they will contact **you** to agree on a reasonable alternative timeframe to resolve **your** complaint.

For more information on **our** complaints handling process, please contact **us**.

### What if You are not satisfied with Our final IDR decision?

We expect our procedures will provide you with a fair and prompt resolution to your complaint. If however you are not satisfied with our final decision or if we have not been able to resolve the complaint to your satisfaction within 45 days you may be able to lodge a complaint with the Australian Financial Complaints Authority:

- ▼ Online: [www.afca.org.au](http://www.afca.org.au)
- ▼ Email: [info@afca.org.au](mailto:info@afca.org.au)
- ▼ Phone: 1800 931 678 (free call)
- ▼ Mail: Australian Financial Complaints Authority  
GPO Box 3, Melbourne VIC 3001

## 3. Privacy Statement

Delete the current Privacy Statement starting on page vii of the PDS and replace with the following:

### Privacy Statement

AAI Limited trading as Vero Insurance is the insurer and issuer of your commercial insurance product, and is a member of the Suncorp Group, which we'll refer to simply as "the Group".

### Why do we collect personal information?

Personal information is information or an opinion about an identified individual or an individual who is reasonably identifiable. We collect personal information so that we can:

- ▼ identify you and conduct appropriate checks;
- ▼ understand your requirements and provide you with a product or service;
- ▼ set up, administer and manage our products and services and systems, including the management and administration of underwriting and claims;
- ▼ assess and investigate any claims you make under one or more of our products;
- ▼ manage, train and develop our employees and representatives;
- ▼ manage complaints and disputes, and report to dispute resolution bodies; and
- ▼ get a better understanding of you, your needs, your behaviours and how you interact with us, so we can engage in product and service research, development and business strategy including managing the delivery of our services and products via the ways we communicate with you.

### What happens if you don't give us your personal information?

If we ask for your personal information and you don't give it to us, we may not be able to provide you with any, some, or all of the features of our products or services.

### How we handle your personal information

We collect your personal information directly from you and, in some cases, from other people or organisations. We also provide your personal information to other related companies in the Group, and they may disclose or use your personal information for the purposes described in 'Why do we collect personal information?' in relation to products and services they may provide to you. They may also use your personal information to help them provide products and services to other customers, but they'll never disclose your personal information to another customer without your consent.

Under various laws we will be (or may be) authorised or required to collect your personal information. These laws include the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, Personal Property Securities Act 2009, Corporations Act 2001, Autonomous Sanctions Act 2011, Income Tax Assessment Act 1997, Income Tax Assessment Act 1936, Income Tax Regulations 1936, Tax Administration Act 1953, Tax Administration Regulations 1976, A New Tax System (Goods and Services Tax) Act 1999 and the Australian Securities and Investments Commission Act 2001, as those laws are amended and includes any associated regulations.

We will use and disclose your personal information for the purposes we collected it as well as purposes that are related, where you would reasonably expect us to. We may disclose your personal information to and/or collect your personal information from:

- ▼ other companies within the Group and other trading divisions or departments within the same company (please see our Group Privacy Policy for a list of brands/companies);
- ▼ any of our Group joint ventures where authorised or required;
- ▼ customer, product, business or strategic research and development organisations;
- ▼ data warehouse, strategic learning organisations, data partners, analytic consultants;
- ▼ social media and other virtual communities and networks where people create, share or exchange information;
- ▼ publicly available sources of information;
- ▼ clubs, associations, member loyalty or rewards programs and other industry relevant organisations;
- ▼ a third party that we've contracted to provide financial services, financial products or administrative services – for example:

- ▼ information technology providers,
- ▼ administration or business management services, consultancy firms, auditors and business management consultants,
- ▼ marketing agencies and other marketing service providers,
- ▼ claims management service providers
- ▼ print/mail/digital service providers, and
- ▼ imaging and document management services;
- ▼ any intermediaries, including your agent, adviser, a broker, representative or person acting on your behalf, other Australian Financial Services Licensee or our authorised representatives, advisers and our agents;
- ▼ a third party claimant or witnesses in a claim;
- ▼ accounting or finance professionals and advisers;
- ▼ government, statutory or regulatory bodies and enforcement bodies;
- ▼ policy or product holders or others who are authorised or noted on the policy as having a legal interest, including where you are an insured person but not the policy or product holder;
- ▼ in the case of a relationship with a corporate partner such as a bank or a credit union, the corporate partner and any new incoming insurer;
- ▼ the Australian Financial Complaints Authority or any other external dispute resolution body;
- ▼ credit reporting agencies;
- ▼ other insurers, reinsurers, insurance investigators and claims or insurance reference services, loss assessors, financiers;
- ▼ legal and any other professional advisers or consultants;
- ▼ hospitals and, medical, health or wellbeing professionals;
- ▼ debt collection agencies;
- ▼ any other organisation or person, where you've asked them to provide your personal information to us or asked us to obtain personal information from them, eg your mother.

We'll use a variety of methods to collect your personal information from, and disclose your personal information to, these persons or organisations, including written forms, telephone calls and via electronic delivery. We may collect and disclose your personal information to these persons and organisations during the information life cycle, regularly, or on an ad hoc basis, depending on the purpose of collection.

### **Overseas Disclosure**

Sometimes, we need to provide your personal information to – or get personal information about you from – persons or organisations located overseas, for the same purposes as in 'Why do we collect personal information?'

The complete list of countries is contained in our Group Privacy Policy, which can be accessed at [www.vero.com.au/privacy](http://www.vero.com.au/privacy), or you can call us for a copy.

From time to time, we may need to disclose your personal information to, and collect your personal information from, other countries not on this list. Nevertheless, we will always disclose and collect your personal information in accordance with privacy laws.

### **How to access and correct your personal information or make a complaint**

You have the right to access and correct your personal information held by us and you can find information about how to do this in the Suncorp Group Privacy Policy.

The Policy also includes information about how you can complain about a breach of the Australian Privacy Principles and how we'll deal with such a complaint. You can get a copy of the Suncorp Group Privacy Policy. Please use the contact details in **Contact Us**.

### **Contact us**

For more information about our privacy practices including accessing or correcting your personal information, making a complaint, or obtaining a list of overseas countries you can:

- ▼ Visit [www.vero.com.au/privacy](http://www.vero.com.au/privacy).
- ▼ Speak to us directly by phoning one of our Sales & Service Consultants on: 1300 888 073 or by
- ▼ Email us at [claims@vero.com.au](mailto:claims@vero.com.au)

## 4. Changes to Cover

### Amount you pay towards a claim

On Page v of the PDS delete all of the text under the heading "The amount you pay towards a claim" and replace it with the following:

"**Basic Excess** – a \$250 excess will apply to each claim made under your policy unless we agree that you do not have to pay this amount.

Note: You may also be eligible to increase or decrease the basic excess amount and this will be shown on your **schedule**.

**Earthquake Excess** – In the event of an earthquake we will require you to pay an additional **excess** of \$250.

**Cyclone Excess** – In the event of a claim for **loss** or **damage** in connection with a cyclone we will require you to pay an **excess** of \$10,000.

**Flood Excess** – In the event of a claim for **loss** or **damage** in connection with a flood we will require you to pay an **excess** of \$5,000.

**Underwriting Excess** – We will show the underwriting **excess** as part of your excess details on your policy **schedule**.

This is only a summary of how excesses will be applied. For full details please refer to your policy wording and your **schedule**."

### How a claim payment is calculated

On Page vi of the PDS delete all of the text under the heading "How a claim payment is calculated" and replace it with the following:

"The following example illustrates how we will calculate the amount payable for a claim.

Contents have been insured for \$50,000. The value of some outdoor furniture is \$2,500. The outdoor furniture is stolen and not recovered. The basic excess that applies is \$250.

The amount payable following the claim would be:

Although \$3,000 is the value of the outdoor furniture, the maximum limit payable for items in the open air at the premises is \$2,500. This maximum limit does apply in this case. The basic excess of \$250 is then deducted, which results in a final calculation of \$2,250."

## Section 1. Home and Contents

### Changes to excluded events

On page 6 of the PDS under Excluded event 2, **delete**:

"1. events involving theft or attempted theft by someone who is at the premises with your consent or the consent of a person who lives in your home unless the consent was obtained fraudulently"

and replace it with:

"1. events involving theft or attempted theft by someone (excluding **guests**), who are at the premises with your consent of the consent of a person who lives in your home (excluding **guests**) unless the consent was obtained fraudulently."

On page 6, of the PDS delete the Excluded Event 4 and replace with the following:

"4. **events** involving:

- ▼ creeping, heaving, normal settling, shrinkage, seepage, vibration, expansion in buildings, pavements, roads, car parks and the like;
- ▼ loss or damage to retaining walls, sea walls, garden borders and free standing outdoor walls as a result of storm or **flood**; or
- ▼ erosion, subsidence, landslip or mudslide or any other type of earth movement. We will, however cover **loss** or **damage** caused by a landslide or subsidence proved to have occurred within 72 hours of, and directly because of, a storm, **flood**, explosion, earthquake, subterranean fire, volcanic eruption or water escaping from a water main owned by a water supply authority and not because of erosion over time, structural fault or design fault;"

## Electrical Motor Burnout

On page 11 of the PDS, Additional Benefit 3. Electrical Motor Burnout is deleted and replaced with the following:

✓ What we cover	✗ What we exclude
<p>3. Motor Burnout</p> <p>The burning out of fusing of a household electric motor in the period of insurance in household equipment and appliances which are part of <b>your home</b> if you have home cover, and <b>contents</b> if you have contents cover.</p> <p>Cover includes the reasonable cost of repairing or replacing:</p> <ul style="list-style-type: none"><li>▼ Switches, capacitors, condensers, bearings and seals if they are fixed to the electric motor</li><li>▼ An entire sealed unit and re-gassing, if the electric motor is inside a sealed refrigeration or air-conditioning unit</li><li>▼ A swimming pool water pump combined with its electric motor, if the replacement pump motor cannot be bought on its own.</li></ul> <p>If an electric motor or motor in an appliance cannot be repaired or replaced, we will pay the replacement cost of an equivalent motor or motor in a sealed unit of the same specification and standard available today. We will not pay for the replacement of the whole appliance unless this costs less than repairing or replacing the motor.</p>	<ul style="list-style-type: none"><li>▼ Any motor or sealed unit over 10 years old</li><li>▼ The cost of extracting or reinstalling a submersible pump</li><li>▼ <b>Loss or damage</b> to a refrigerator or freezer caused by spoiled food</li><li>▼ Any amount you can recover under a manufacturer's guarantee or warranty</li></ul> <p>Motors in any:</p> <ul style="list-style-type: none"><li>▼ Radio</li><li>▼ Television, video recorder, DVD player or recorder</li><li>▼ Computer, printer or computer equipment</li><li>▼ Microwave oven</li><li>▼ Stereo, hi-fi or other sound equipment.</li></ul>

## High Risk Items Claims example

The example on page 14 of the PDS:

"If you have a piece of jewellery worth \$3,000 insured with us as an unspecified item and it is stolen from your **home**, and you have a \$100 **excess** – then the most we will pay for your claim is the limit (which for jewellery is \$2,500) less the **excess** (\$100)- which is \$2,400."

is deleted and replaced with;

"If you have a piece of jewellery worth \$3,000 insured with us as an unspecified item and it is stolen from your **home**, and you have a \$250 **excess** – then the most we will pay for your claim is the limit (which for jewellery is \$2,500) less the **excess** (\$250) – which is \$2,250."

## Typographical errors

We have identified two typographical errors in the PDS. As such, the changes to the PDS are as follows: On page 12. The following text is inserted at the beginning of the first text box: "4. Food Spoilage."

On page 12. Additional benefit "2. Compensation for death" is deleted and replaced with; "6. Compensation for death"

## Section 5. Business Interruption

On page 34. of the PDS Delete the Insured Event '6. Infectious Disease, Vermin or Pests or Defective Sanitary Arrangements, Food or Drink Poisoning, Murder or Suicide, Shark or Crocodile attack' and replace with the following:

✓ What we cover	✗ What we exclude
<p>6. Infectious Disease, Vermin or Pests or Defective Sanitary Arrangements, Food or Drink Poisoning, Murder or Suicide, Shark or Crocodile attack.</p> <p>The evacuation or closure of all or part of <b>your premises</b> by any legal authority as a result of:</p> <ul style="list-style-type: none"> <li>▼ the outbreak of a human infectious or contagious disease at the <b>premises</b> or within a 20 kilometre radius,</li> <li>▼ vermin or pests or defects in the drains or other sanitary arrangements at the <b>premises</b>,</li> <li>▼ poisoning of customers directly caused by the consumption of food or drink provided on the <b>premises</b>,</li> <li>▼ murder or suicide occurring in or at the <b>premises</b>,</li> <li>▼ shark or crocodile attack occurring within a 20 kilometre radius of the <b>premises</b>.</li> </ul>	<p>We will not pay for the first 48 hours of any such interference or interruption.</p> <p>We will not pay more than 20% of the <b>insured amount</b> shown against "gross income" or "weekly benefit" in the <b>schedule</b>.</p> <p>We will not pay for loss of or reduction in your <b>gross income</b> or <b>weekly income</b> that results from an interruption of your <b>business</b> that is caused by:</p> <ul style="list-style-type: none"> <li>▼ highly pathogenic avian influenza in humans, or</li> <li>▼ any biosecurity emergency or human biosecurity emergency declared under the Biosecurity Act 2015 and subsequent amendments or successor.</li> </ul>

## Section 2. Legal Liability

On page 18, of the PDS delete the exclusion marked 'Child Molestation' and replace with the following:

✓ What we cover	✗ What we exclude
<div style="border: 1px solid #ccc; height: 100px; width: 100%;"></div>	<p>Is caused by or arises from the molestation of, the interference with, the mental abuse or the physical abuse of any person by:</p> <ul style="list-style-type: none"> <li>▼ you;</li> <li>▼ any <b>employee</b>; or</li> <li>▼ any person performing any voluntary work or service for you or on your behalf.</li> </ul>

## Definitions

At page 49, of the PDS add the following new definition:

Word	Meaning
<p><b>Guest</b></p>	<p>A person or persons lodging at the home for a fee</p>

At page 49 of the PDS, the definition of "Flood" is deleted and replaced with the following;

Word	Meaning
<p><b>Flood</b></p>	<p>The covering of normally dry land by water that has escaped or been released from the normal confines any of the following;</p> <ul style="list-style-type: none"> <li>(a) a lake (whether or not it has been altered or modified);</li> <li>(b) a river (whether or not it has been altered or modified);</li> <li>(c) a creek (whether or not is has been altered or modified);</li> <li>(d) another natural watercourse (whether or not it has been altered or modified)</li> <li>(e) a reservoir;</li> <li>(f) a canal; or</li> <li>(g) a dam.</li> </ul>

# General exclusions

At page 43 of the PDS, delete Exclusion 11 and replace with the following:

## “11. Landslide, subsidence or slippage

any **loss, damage or legal liability** arising from landslide, subsidence, erosion, undermining, washing away, or slippage. This does not apply to Section 1 - Home and Contents (refer instead to Excluded Event 4 of that Section which is set out on page 3 of this SPDS) or Section 5 – Business Interruption.”

At page 44 of the PDS, **add** the following new exclusions:

## “16. 48 hour Exclusion for new policies

- ▼ **Loss or damage** caused by a bushfire, storm or **flood** within 48 hours from the commencement of this policy, but we will cover these events (to the extent the event is covered by the policy) if:
- ▼ the **premises** was purchased by you on the same day this policy began, or
- ▼ the **premises** was covered under another policy which expired on the same day this policy began, (but not when you cancelled the policy prior to its expiry date), but only up the sums insured covered under the expired policy, (any increase in sums insured will not be covered for these events for the first 48 hours specified).

## 17. Terrorism

- (a) **personal injury, damage** to property, legal liability, **loss, damage**, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or **event** contributing concurrently or in any other sequence to the **personal injury, damage** to property, legal liability, **loss, damage**, cost or expense;
- (b) **personal injury, damage** to property, legal liability, **loss, damage**, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

## 18. Sanctions

Despite any provision of the PDS, we will not cover and will not make any payments or provide any services or benefit to you or to any other party to the extent that such cover, payment, service or benefit would contravene any applicable trade or economic sanctions, law or regulation.”