

RAC Basic Contents and Personal Valuables Insurance

**Combined Product Disclosure Statement
and Financial Services Guide**



RAC Insurance Pty Limited (ABN 59 094 685 882) (RAC Insurance) is an authorised general insurance company specialising in general insurance products. Our Australian Financial Services (AFS) Licence number is 231222. We have sole responsibility for the content of the Product Disclosure Statement (PDS) commencing at page 5, the cover provided under the policy, policy administration and the assessment and payment of claims.

RAC Distribution Pty Ltd (ABN 71 092 581 470) (RAC Distribution) is our authorised representative. Its Authorised Representative number is 238025. We have authorised RAC Distribution to distribute to you the Financial Services Guide (FSG) commencing at page 36. RAC Distribution has a binding agreement with us that authorises them to arrange for the issue of general insurance contracts on our behalf which are binding on us just as if we had issued the policy ourselves. If you decide to purchase this insurance policy, your contract will be with RAC Insurance as the insurer.

RAC Insurance and RAC Distribution are part of the RAC Group of Companies.

This Combined PDS and FSG was prepared on 4 December 2020 and is effective from 25 February 2021.

Contents

Welcome to RAC Insurance	4
Product Disclosure Statement	5
About this Product Disclosure Statement.....	5
The insured events we cover	8
Your RAC Basic Contents Insurance.....	9
Your basic contents additional benefits.....	12
Your RAC Personal Valuables cover	13
Your legal liability cover.....	15
General exclusions.....	18
Claiming on your policy.....	21
Other important information.....	26
Definitions.....	32
Financial Services Guide	36
About this Financial Services Guide.....	36
Our services.....	36
How we are paid.....	36
Addressing complaints.....	37
Compensation arrangements.....	37

Welcome to RAC Insurance

We're here to do the right thing by you. That's our promise - and here's what that means:

- » We believe in looking after our members - not just their things. You can expect a more helpful service, from a local team who live and work here too.
- » When we say you're covered, we mean it. Our very comprehensive insurance means that if the time comes and you need to claim, we'll keep our promise.
- » You'll get high-quality cover for less than you may think. That's why more WA households choose to insure with RAC.

For more details about your policy, or our simple claims process, you can look through this PDS. Please read it carefully and if you'd like to learn more, call us on **13 17 03** or go to **rac.com.au**

Looking out for members with vulnerabilities

At RAC Insurance, we look to provide an extra level of service and sensitivity to members experiencing vulnerability, as we recognise that at different times anyone may need help due to their circumstances.

If circumstances of vulnerability are impacting on your situation and your ability to claim, we encourage you to contact us or refer to our vulnerability policy at **rac.com.au**

Choosing RAC Insurance makes you a valued RAC member - and you can make the most of our member benefits. You'll receive exclusive discounts on a huge range of retail outlets and RAC products and services. Find out more at **rac.com.au/memberbenefits**

Product Disclosure Statement

About this Product Disclosure Statement

This RAC Basic Contents and Personal Valuables Insurance PDS, together with:

- » the schedule we provide to you,
- » our Premium, Excess and Discount Guide (PED Guide), and
- » any document which we tell you forms part of the terms and conditions of your insurance such as a Supplementary PDS,

will form the contract between you and us (the policy).

These documents explain the cover and benefits provided by the contents insurance and the limits, important information and exclusions that apply to it in order to help you decide if this insurance is right for you.

You should read these documents carefully so you fully understand the cover we provide and the limits, important information and exclusions that apply to it.

Please also read the 'Definitions' on page 32 so you understand the words in this document that have special meanings.

When we agree to insure you

When you take out a policy with us, we ask you questions. You must answer our questions honestly, completely and accurately. Remember that you are answering for you and anyone else who will be insured under your policy.

When you renew or change your policy, you must tell us if your previous answers (as shown in your schedule) need correcting or updating and answer any questions we may ask about your contents and personal valuables and how they are used, you, or anyone else who will be insured under your policy. If any changes need to be made and we agree with them, we will send you an updated schedule. We will also advise if they affect your premium.

If you or someone acting for you gives us false information, we may:

- » Refuse to pay a claim.
- » Reduce the amount we pay you for your claim.
- » Cancel your policy.
- » Withdraw cover.

This requirement continues until the commencement of your policy. For anything that changes after this, please see the section below.

Changes to the details you have given us

You must tell us about any changes to the information you have given us about you, your family, your contents or personal valuables, the purpose you use them for and anyone whose details appear in your schedule.

If you do not tell us about any changes, your insurance may no longer be valid and we may refuse to pay part or all of any claim you make or require you to repay any money paid to you for your claim.

If you are not sure, but think that something might be relevant, it is better to tell us.

If any changes need to be made and we agree with them, we will send you an updated schedule. We will also advise if a different premium applies.

Our agreement with you

The cover your policy provides will be available to you for the period of insurance in return for your premium.

This contract is between you and us. When more than one person is named as the policyholder in your schedule, we will treat them all as joint policyholders and:

- » A statement, act, omission or claim by any one policyholder is treated as a statement, act, omission or claim by all joint policyholders.
- » We can deal with or make payment to one joint policyholder with no need to also pay or deal with the other policyholders.
- » Each policyholder has authority to change or cancel the policy, and we do not need to contact the other policyholders.

Make a claim - quick guide

1. Call us on **13 17 03** or go online to make a claim at **rac.com.au**. You should do this as soon as possible after the damage or loss has occurred.
2. Make sure you have all of the information required to make your claim such as:
 - » Your policy details.
 - » Details of the event which caused the loss or damage.
 - » Details of your contents which were lost or damaged.
3. We will guide you through what happens next.

The cover our basic contents and personal valuables insurance policies provide

This PDS explains the types of policies we provide:

- » Basic contents insurance.
- » Personal valuables insurance.

For your convenience each of these is summarised below. For full details of cover including limits, important information and exclusions, please read the policy.

The type of policy you have selected and the limits applicable to it will be shown on your schedule.

Your RAC Basic Contents Insurance

Your RAC Basic contents insurance policy covers you for loss of, or damage to your contents at your site and your legal liability arising from events anywhere in Australia if you are a tenant of your building. If you are the owner occupier of your building, basic contents insurance covers you for loss of, or damage to your contents at your site and your legal liability arising from events anywhere in Australia other than at your site. See page 9.

Your RAC Personal Valuables Insurance

If you have RAC Basic Contents Insurance, you also have the option to buy additional cover for your personal valuables that are normally kept at the address shown on the policy schedule. We will cover your personal valuables against accidental loss, destruction or damage that occurs anywhere in Australia. There are two types of personal valuables cover. See page 13.

The type of cover you choose will be shown on your policy schedule.

The insured events we cover

When you have insured your contents with us, these are the insured events we provide cover for, and where relevant, the limitations to the cover we provide (also see page 18 for General Exclusions).

We cover loss and damage caused by:	Unless otherwise provided for in this policy, we do not cover:
Fire	Loss or damage caused by: <ul style="list-style-type: none">» Bushfire within the first 48 hours after the initial commencement of your policy, unless your policy commenced:<ul style="list-style-type: none">> When you first took possession of the building.> When you signed a lease contract for the building.> Immediately after another policy covering the same risk expired without a break in cover.
Theft or attempted theft	Loss or damage caused by: <ul style="list-style-type: none">» You, your family or anyone who lives with you.» A person authorised by you, your family or anyone else who lives with you to enter your site. Theft or attempted theft of: <ul style="list-style-type: none">» Contents whilst being lent to a third party.» Contents from a common area within a strata titled property or any type of multiple occupancy residences.» Contents in the open air at your site for more than \$500.

Your RAC Basic Contents Insurance

If you purchase an RAC Basic Contents Insurance policy and we agree to insure you, you are covered for:

- » Loss of or damage to your contents whilst in your building including lockable domestic buildings at your site caused by an insured event (see page 8 for insured events) which occur during the period of insurance.
- » Your legal liability (see page 15 for legal liability cover) arising from events which occur during the period of insurance anywhere in Australia if you rent or lease the building. If you are the owner occupier of your building, legal liability cover is only provided for incidents which occur in Australia and outside the boundaries of your site. Legal liability is provided for claims arising from incidents which cause:
 - > The death of or bodily injury to any person (other than you or your family or any person living with you)
 - > Loss or damage to someone else's property, other than property which you or your family or any person living with you, own or control
 - > Loss, destruction or damage to any property that is owned by your landlord and is being used by you or your family or any person living with you.

Your contents insurance policy also provides limited cover for your contents when they are in the open air at your site.

We can provide you with additional cover for your personal valuables anywhere in Australia if you buy personal valuables contents insurance with us (see page 13 for details).

What we cover as your contents

Some contents listed below have limited cover. These contents are set out on page 11.

We cover:

Your contents including, but not limited to:

- » Clothing, personal belongings and personal effects.
- » Furniture and furnishings.
- » Carpets (whether fixed or unfixed), floor rugs and curtains.
- » Household goods and appliances.
- » Legally obtained, commercially marketed music and video recordings, games, e-books, software and similar media stored on your computer, electronic reader, discs, USBs and similar devices.
- » Computers and associated equipment.
- » Home office/surgery equipment.
- » Furs, curios, works of art, pictures, paintings and articles containing gold or silver.
- » Domestic tools including garden tools, tools of trade, equipment and materials.
- » Above ground swimming pools, portable spas and saunas.
- » Contents you are leasing or which have been provided to you or your family as part of a written employment contract.
- » Watches, jewellery, gems and precious stones.
- » Unattached spare parts and accessories for motor vehicles, motorcycles, caravans, watercraft, trailers and bicycles.
- » Deeds and documents including title deeds, passports and bonds.
- » Fixtures and structural improvements owned by a tenant.
- » Fixtures and structural improvements owned by a strata title owner, that are not covered by the strata title building policy.
- » Entertainment equipment.
- » Photographic equipment.
- » Bicycles and scooters (including electric motorised).

Unless otherwise provided for in this policy, we do not cover:

- » Aircraft, motorised watercraft and equipment, motor vehicles, motorcycles (including trail bikes, petrol motorised scooters or petrol motorised bicycles), personal mobility devices (including golf buggies and go-karts), caravans, trailers or any of their parts or accessories whilst attached.
- » Animals or pets.
- » Any part of the building including building materials.
- » Coin or banknote collections.
- » Cash, bank notes, gift and similar cards.
- » Credit cards.
- » Gold or silver bullion.
- » Goods kept for sale, distribution or on consignment.
- » Illegal items, including firearms/ammunition and unlawfully stored firearms/ammunition.
- » Plants, shrubs, grass and trees.
- » Stamps or medals, individually or in collections.
- » Stock used in any business, trade or profession.
- » The cost of re-installing lost or damaged computer software.
- » Loss or damage to data, or the cost of re-installing lost or damaged computer software.

Contents with limited cover

Limits apply as to how much we will pay to repair or replace some of your contents. Contents with limited cover are listed in the table below.

Contents with sub-limits	Value covered
Bicycles and scooters (including electric motorised)	Up to \$1,000
Computers and associated equipment	Up to a combined total of \$5,000
Deeds and documents including title deeds, passports and bonds	Up to \$500
Entertainment equipment	Up to \$7,500
Fixtures and structural improvements owned by a strata title owner, that are not covered by the strata title building policy	Up to \$5,000
Fixtures and structural improvements owned by a tenant	Up to \$5,000
Furs, curios, works of art, pictures, paintings and articles containing gold and silver	Up to \$2,000 per item/set or \$5,000 in total
Home office/surgery equipment	Up to \$5,000
Legally obtained, commercially marketed music and video recordings, games, e-books, software and similar media stored on your computer, electronic reader, discs, USBs and similar devices	Up to \$5,000
Non-motorised watercraft up to 3.5m in length	Up to \$500
Photographic equipment	Up to \$1,000
Tools of trade	Up to \$2,000
Unattached spare parts and accessories for motor vehicles, motorcycles, caravans, watercraft, trailers and bicycles	Up to \$500
Watches, jewellery, gems and precious stones	Up to \$2,000 per item/set or \$5,000 in total

Your basic contents additional benefits

We provide you with these additional benefits at no extra cost.

Strata Title Owners' or Tenants' Fixtures and Fittings cover

If the building is a strata title property owned by you, or you are a tenant of a property, we will cover those fixtures and structural improvements in the building or on the site which are both:

- » your property
- » not insured by any insurance policy taken out under the provisions of the Strata Titles Act by the strata company of the building, of which the building forms part.

These fixtures and structural improvements will be covered against loss, destruction or damage which is directly due to fire or theft up to \$5,000, provided our total payment does not exceed the sum insured.

Contents while in storage

If your contents have been removed from the address stated on your policy schedule and are in secure storage, we will provide cover for fire and theft up to \$5,000, provided our total payment does not exceed the sum insured.

Your RAC Personal Valuables cover

If you purchase an RAC Basic Contents Insurance policy, for an extra premium and we agree to insure you, we will provide you with additional cover for your personal valuables that are normally kept at the address shown on the policy schedule. We will cover your personal valuables against accidental loss or damage that occurs anywhere in Australia.

You can insure your personal valuables with us as either unspecified personal valuables or specified personal valuables.

The cover you choose will be shown on your schedule.

Personal valuables

The table below lists the items that you can insure as unspecified personal valuables or specified personal valuables.

Personal valuables are:	Covered items include:
Clothing and luggage	Handbags, wallets, travel bags, lockable suitcases and personal clothing
Glasses and personal medical equipment	Prescription and non-prescription glasses and sunglasses, hearing aids, dentures, non-motorised wheelchairs and insulin pumps
Jewellery and watches	Rings, watches, bracelets and necklaces
Portable electronic devices	Mobile phones, laptops, tablets, cameras and audio-visual equipment
Sporting and recreational items	Bicycles and scooters (including electric motorised but not petrol motorised), sporting equipment, drones, musical items, diving and fishing equipment, guns and firearms

Unspecified personal valuables

You can choose one of the options listed in the table below to cover unspecified personal valuables items. The cover you select will be shown on your schedule.

Maximum sum insured per item/set:	Maximum sum insured per claim:
\$500	\$2,000
\$600	\$3,000
\$800	\$4,000
\$1,000	\$5,000

Specified personal valuables

Specified personal valuables are those items listed as personal valuables that you choose to insure individually for a specific amount.

The specified personal valuables that you insure and their maximum sum insured will be shown on your schedule. We strongly recommend that you have the valuations for these items reviewed each renewal and updated if necessary.

Your personal valuables policy does not cover

We do not cover the following either under unspecified or specified personal valuables:

- » Loss of or damage to personal valuables caused by:
 - > Mechanical, structural or inherent defect, electrical failures or power surge.
 - > Scratching or denting.
 - > Overwinding or component failure to watches or clocks.
 - > The bursting or malfunction of any firearm(s).
 - > The breakage of strings, reeds, drumheads or fishing line.
 - > Atmospheric conditions or extremes of temperature.
- » Items whilst being used in connection with any business, trade or profession.
- » Glass in watches, clocks or televisions.
- » Sporting and recreational equipment or musical instruments while they are in use and/or related accessories.
- » Computer associated hardware and software.
- » Items whilst undergoing dyeing, cleaning, repair or renovation.
- » Items where cover is already provided to you by other insurance you were required by law to have. We will, however, pay you the difference between the amount of your loss and the amount you have recovered under the other insurance. We will not pay more than the sum insured.
- » Loss of or damage to personal valuables whilst intentionally left unattended in a public place or in an unlocked vehicle or unsecured vehicle.
- » Illegal items, including firearms/ammunition and unlawfully stored firearms/ammunition.

Your legal liability cover

Your basic contents insurance policy covers your legal liability arising from events which occur during the period of insurance and result in:

- » The death of or bodily injury to any person.
- » Loss or damage to someone else's property.
- » Loss, destruction or damage to any property at your site that is owned by your landlord and is being used by you or your family or any person living with you, if you are a tenant of the building.

Legal liability cover is provided to you:

- » For incidents occurring anywhere in Australia if you are a tenant of your building.
- » Only for incidents which occur in Australia and outside of the boundaries of your site if you are the owner occupier of your building.

Where you are the owner occupier of your building and it is part of a scheme under the Strata Titles Act, the cover is:

- » Extended to include your legal liability for claims arising from events which occur in or on the common property of the scheme. This extension of cover for the common property is provided only where your liability for such claims has not been insured as required by the Strata Company.

The legal liability cover does not extend to liabilities for injury or damage as a result of an event that is caused by the ownership of an animal other than your family pet.

Limits of cover

The most we will pay for your legal liability claim is \$20,000,000 inclusive of legal costs in relation to any one event.

We will also cover you and your family against your liability for legal costs when our lawyers act in connection with such events.

Our cover does not extend to liabilities for injury, loss or damage:

- » To your employees which occurs during the course of employment.
- » To you or your family or any person who lives with you.
- » Caused by or connected with the use of a vehicle (other than a bicycle), caravan, aircraft or waterborne craft (including sailboards, surfboards, windsurfers, surf-skis and the like), lift or firearm.
- » For which you or your family have agreed to accept liability.
- » Which arises through your ownership of any other building, property or land.
- » Which arises out of your negligence or lack of skill in the conduct of any profession, occupation or business.
- » Which arises out of any intentional or recklessly negligent act by you, your family, your tenant or their guest/s, or anyone on the site with your permission.
- » Which arises out of renovations (including alterations and repairs) that are being carried out on your building.
- » Arising from any sporting activity either as a player, coach, referee or official - including professional, recreational or amateur sport.
- » Caused by your pet which the relevant authority has declared to be dangerous.
- » Arising from any tree-logging or tree-felling on your site.
- » Arising from or in connection with the supply of alcohol, illegal substances or drugs (including tobacco).
- » Arising directly or indirectly out of:
 - > The inhalation of asbestos.
 - > Exposure to asbestos.
 - > Fear of the consequences of exposure to asbestos or inhalation of asbestos.

- » Arising directly or indirectly out of:
 - > The inhalation of drug residues;
 - > Exposure to drug residues;
 - > Fear of the consequences of exposure to drug residues;
 - > Bodily injury, death, property damage or loss caused by drug residues;

or any of the above in relation to products used to manufacture drugs.

- » Arising directly or indirectly out of:
 - > Exposure to infectious disease;
 - > Bodily injury, death, property damage or loss caused by infectious disease; or
 - > Any legal or other requirement to clean-up, detoxify, remove, monitor or test for an infectious disease.

The policy does not cover your legal liability for any costs or penalties imposed upon you or your family or any person who lives with you under the provisions of any law.

General exclusions

The following exclusions apply to all cover under your policy.

We may reduce the cover we provide, or not provide any cover at all when:

- » You do not provide reasonable protection for your contents.
- » You leave your building unoccupied for 60 consecutive days or more unless you told us and we agreed to continue the cover your policy provides. To ensure cover, you must advise us in advance and have a plan with us, such as:
 - > stopping mail and any other deliveries,
 - > ensuring grass and gardens are maintained and tidy, and
 - > having your building regularly inspected inside and out at least once a week.
- » You keep flammable liquids, chemicals usually used in illegal drug manufacture or explosives at the site illegally, and the loss, damage or liability is a direct or indirect result of any of these factors.

Cause of loss, damage or liability

We will not cover any loss, damage or liability caused directly or indirectly by:

- » Theft or any attempted theft which occurs during renovations, or in connection with renovations (including alterations and repairs) being carried out on your building.
- » The action of the sea, storm surge, high tide or tsunami.
- » Erosion, landslide, subsidence or movement.
- » Defect in design, material or product or structural failure, unless you did not know or did not contribute to, and reasonably could not have known of, this situation.
- » Wear, tear, gradual deterioration or lack of maintenance.
- » Any pre-existing damage to the insured property.
- » Any person or organisation who lawfully destroys or takes property covered by this policy away from your ownership or control.
- » Mildew, mould, rust, corrosion, rotting or discolouration.
- » Animals, birds, vermin or insects.

- » Heat not directly involving fire or as a result of your building or contents undergoing a process necessarily involving the application of heat.
- » Discharge or escape of any pollutant or contaminant.
- » Cleaning up asbestos or removing asbestos.
- » Damage to property or the loss of use of property arising out of the use or presence of asbestos.
- » Anything nuclear or radioactive.
- » Invasion, war whether declared or not, rebellion, revolution, or theft following any of these events.
- » Any act of terrorism.
- » Loss, damage or liability which arises outside of Australia.
- » Failure to keep your building or contents in good repair and condition, structurally sound, watertight, secure or well maintained.
- » In relation to drug residues (including the residue of products made to manufacture drugs):
 - > the inhalation of drug residues.
 - > exposure to drug residues.
 - > fear of the consequences of exposure to drug residues.
 - > bodily injury, death, property damage or loss caused by drug residues.
- » Bodily injury, death, property damage or loss caused by infectious disease.
- » Exposure to infectious disease.
- » Any legal or other requirement to clean-up, detoxify, remove, monitor or test for an infectious disease.

Use of your building

We will not cover any loss, damage or liability caused directly or indirectly by your building or part of it being used for:

- » The purpose of a business, trade or profession that we have not been advised of and agreed to.
- » An unlawful purpose.

Timing

We will not cover loss, damage or liability caused by bushfire within the first 48 hours after the initial commencement of your policy or to the extent that you have increased your existing insurance cover, unless this policy or increase commenced:

- » When you first took possession of your building.
- » When your lease for your building commenced.
- » Immediately after another policy covering the same risk expired.

We also do not cover:

- » Consequential loss.
- » Loss, damage or liability caused by, arising directly or indirectly from, or in any way connected with, an intentional act by you or your family or a person who has entered your site with consent from you or your family.

Claiming on your policy

You must co-operate with us

When you claim on your policy, you must give us any information and co-operation we reasonably require in dealing with your claim.

You must promptly provide us with full details of the event which led to your claim. The details we may require include:

- » The type of insured event.
- » Contact details of anyone involved.
- » Proof of ownership for any damaged or stolen property, such as receipts, owner manuals and warranties.
- » Copies of any letters, notices, court or other legal documents received relating to the insured event or a claim.
- » Receipts for expenses you have incurred that are covered under your policy and which have been authorised by us.

In addition you must:

- » Immediately, report any theft or attempted theft to the police.
- » Immediately take all reasonable steps to prevent loss or damage from occurring or continuing to occur, once becoming aware of actual or potential loss or damage.
- » Where possible, keep and safeguard your damaged property so we can inspect it, if required.
- » Provide written statements if we require them.
- » Provide truthful and complete information to us.
- » Not admit liability for, or negotiate to settle, any claim against you (or any other person covered under the policy) without our written permission.
- » Attend court and give evidence if we require it.
- » Assist us, even after we have settled your claim, in any proceedings we take to recover any money we have paid under your policy.

We are entitled to represent you or any other person covered under your policy:

- » In the negotiation, defence, settlement or any legal proceedings relating to a claim on your policy.
- » In any proceedings to recover any money we have paid under your policy.

If you do not assist us as required we may:

- » Reject your claim.
- » Pay a reduced amount for your claim.
- » Require you to repay any money paid for your claim.

You need to send to us immediately any documents received which suggest there is or may be a claim under this policy. These may be emails, letters, notices or court documents that refer to bringing action against you or seeking compensation for injury or damage.

Excesses

When you make a claim you may be asked to pay an excess prior to the claim being finalised. The specific excesses that apply to your policy and amounts payable are shown on your schedule. More than one excess may apply to your claim.

If you would like to know more please refer to our Premium, Excess and Discount Guide (PED Guide).

What we do when your contents have been damaged, destroyed or stolen

When you claim for loss or damage to your contents in an event covered under your policy and we accept your claim, we may:

- » Replace or repair the item(s) to a condition as near as possible to its condition as at the date of damage or loss; or
- » Make a payment to settle your claim to replace or repair your item(s) back to a condition as near as possible to its condition as at the date of damage or loss.

If we elect to pay a cash settlement, we will pay the amount that it would cost you to replace the item(s).

We may also elect a settlement of store credit, vouchers or cash cards of our supplier(s) that enables you to replace the item(s).

If you request a cash settlement when we would have elected to repair or replace, or provide settlement of store credit, vouchers or cash cards of our supplier(s), then the cash payment will not exceed the amount we would have paid our supplier(s) to repair or replace the item(s).

If a lost or damaged item forms part of a pair, set or collection, we will pay only the value of that one item. We will not pay for any reduction in value of the incomplete pair, set or collection.

We will not pay more than the sum insured of your contents less any excess that may apply.

What we do when your personal valuables have been lost or damaged

When you have personal valuables cover and you claim for loss or damage to your personal valuable(s) in an event covered under your policy and we accept your claim, we may:

- » Repair or replace the item(s) to a condition as near as possible to its condition as at the date of damage; or
- » Make a payment to settle your claim to replace or repair your item(s) back to a condition as near as possible to its condition as at the date of damage.

If we elect to pay a cash settlement, we will pay the amount that it would cost you to replace the item(s).

We may also elect a settlement of store credit, vouchers or cash cards of our supplier(s) that enables you to replace the item(s).

If you request a cash settlement when we would have elected to repair or replace, or provide settlement of store credit, vouchers or cash cards of our supplier(s), then the cash payment will not exceed the amount we would have paid our supplier(s) to repair or replace the item(s).

We will not pay more than the sum insured of your specified item(s) less any excess that may apply.

If a lost or damaged item forms part of a pair, set or collection, we will pay only the value of that one item. We will not pay for any reduction in value of the incomplete pair, set or collection.

We may need to take possession of your damaged contents

When you make a claim, we may need to take possession of your damaged contents or enter the building and deal with the damage in a reasonable manner.

If, for some reason we don't do this, you will need to take all responsible steps to look after the damaged property until it is rebuilt, repaired or replaced.

Your contribution - contents

If the repairs to or replacement of your contents leave the item(s) in a better condition than before the damage occurred, you may be required to pay a contribution to the repair or replacement cost.

The materials and/or parts we use

When we replace or repair your lost or damaged contents:

- » We will match your undamaged contents as closely as possible. We will not replace undamaged materials and items so that they match those repaired or replaced.
- » If the damage is to carpets, curtains, fixtures and fittings within an open area such as a combined kitchen and family room, we will not repair or replace undamaged carpets, curtains, fixtures and fittings in any adjoining room or other common use area, for example a laundry which adjoins a bathroom.
- » If replacement materials or parts are not able to be sourced in reasonable time, we will pay you the value of the material (plus the cost of installation).

When we declare your contents a total loss

If we declare your contents a total loss, we will either:

- » Repair or replace your contents up to the sum insured.
- » Pay you the sum insured of your contents.

When we settle a total loss claim:

- » Any replacement or cash settlement will not exceed the sum insured less any excess or premium deductions that may apply.
- » Anyone who has a financial interest in your contents (of which we are aware) will be paid first and you will be paid the balance.
- » Your policy comes to an end and there is no refund of any portion of your premium.

When we declare your specified personal valuable a total loss

If we declare your specified personal valuable a total loss, we will either:

- » Replace the specified personal valuable up to the sum insured.
- » Pay you the reasonable cost of replacing the specified personal valuable up to the sum insured.
- » Pay you the sum insured of the specified personal valuable.

When we settle a claim for the total loss of a specified personal valuable:

- » Any replacement or cash settlement will not exceed the sum insured less any excess or premium deductions that may apply.
- » That item is deleted from your policy and no longer insured.
- » There is no refund of premium.

You must tell us if you require cover for any replacement specified item and pay any additional premium we may request.

About your contents sum insured

You will need to specify the sum insured for your contents at the commencement of your cover. Please refer to our online calculators at **rac.com.au** for guidance on calculating the sum insured.

To ensure that you have adequate levels of cover and are not underinsured, you need to review your sum insured at the beginning of each subsequent period of insurance or when changes occur.

Some items of cover have their own limits. Where that limit is less than the sum insured, the item limit is the most that we will pay for that item.

Reducing the risk of underinsurance

We may review your sum insured at each annual renewal to help reduce the risk of you being underinsured. We recommend that you also review your sum insured when you receive your renewal and tell us if any adjustment is required.

Other important information

About your premium

There are a number of factors we take into account in determining your premium including but not limited to:

- » Location of your site.
- » The sum you are insured for.
- » Construction type of your building.
- » Costs associated with operating our business.
- » Government charges.
- » Discounts that may apply to you.

Your premium is shown on your schedule.

If you would like to know more about how your premium is calculated please refer to our PED Guide.

Paying your premium

You can pay your premium either in one annual payment or by instalments.

When you pay in one annual payment your total premium will be less than if you pay it in instalments. The additional amount for payment by instalments contributes towards the increased cost of administering the instalment payment service.

You can pay your premium in annual payments, two six monthly payments, or 12 monthly payments, using your credit card or by direct debit through your financial institution.

When you pay by instalments you must ensure that:

- » The financial details you provide to us are correct.
- » Sufficient funds are available in your account for each instalment payment.
- » You advise us of any change to your financial details at least two business days before your next instalment payment is due.

You may contact your financial institution if you have an issue regarding your account or a direct debit.

We will provide you with at least 14 days' notice if we change any of your instalment payment arrangements.

If paying by direct debit, we may automatically renew your policy on the renewal date. If we plan to automatically renew, we will let you know we intend to do this before your cover ends and send you details of the renewal premium.

If you do not want to renew your policy, you should let us know before the renewal date.

If you do not pay the full amount of your premium or any additional amount we may charge, we may reduce the period of insurance to match the amount you have paid.

Instalment payments

When you choose to pay by instalments, we will send you a notice advising of the first and future payment dates.

The first and future direct debit payments will be made on the due date unless that date is not a business day, when the payment will be made on the business day closest to the due date.

Please contact us immediately if you believe that an unscheduled payment has been made.

Where an instalment payment is overdue by:

- » More than 14 days and you make a claim on your policy, we may refuse to pay your claim.
- » More than one month, we may cancel your policy without notice and refuse to pay your claim.

If any of your instalment payments are rejected by your financial institution due to insufficient funds in your account or errors in your financial details, any fees that result from rejections will be payable by you.

Cancellation of instalment payments

If you decide to cancel your instalment payment arrangement, you need to:

- » Give us at least two business days' notice.
- » Arrange with us to pay the remaining premium due.

If you have made a claim, or one has been made against you (or any other person covered by your policy) in the current period of insurance, then you may be required to pay any outstanding premium due on your policy.

Credit card charges

We may charge a merchant fee when you pay your premium or your excess by credit card.

Goods and Services Tax (GST) and Input Tax Credit Entitlement (ITCE)

Your policy, the amounts insured and the premium that you pay are subject to GST.

You may be able to claim an ITCE for the GST that you pay on the premium for your policy. Please advise us of your ITCE when or before you make a claim on your policy. If you are eligible to claim an ITCE, we will deduct this amount from any payment we make to you.

We recommend that you seek advice from a financial advisor if you are unsure about the tax implications of your policy.

Cooling off period

If you cancel your new or renewed policy:

- » Before it starts we will return any premium paid in full.
- » Within 28 days of it starting, we will return any premium paid, provided you do not make a claim during this time.

Cancellation by you at any time

You can cancel your policy at any time. To do so, please notify us and we will refund your premium less:

- » Any non-refundable government charges.
- » Our administration fee.
- » Our premium for the period of insurance provided.

Any refund will be limited to the premium paid in the current period of insurance.

If you have claimed on your policy during the period of insurance, a refund of premium may not apply. A refund will not apply when we have paid a total loss claim.

If you would like to know more please refer to our PED Guide.

Cancellation by us

If we cancel your policy, we will advise you in writing and refund you any remaining portion of your premium less:

- » Any non-refundable government charges.
- » Our premium for the period of insurance provided.

If you have claimed on your policy during the period of insurance, a refund of premium may not apply. A refund will not apply when we have paid a total loss claim.

If you would like to know more please refer to our PED Guide.

Other fees and charges

If your policy is changed or cancelled and the premium refund or premium payable is less than \$10, no refund or request for payment will be made.

Resolving complaints and disputes

We take great pride in our service to members. If you aren't satisfied with the service provided to you, please contact us on **13 17 03** or via email at

InsuranceMemberFeedback@rac.com.au

We take feedback very seriously and will handle any issues in accordance with our complaint and dispute resolution process as set out in our Complaint and Dispute Management Policy available at **rac.com.au**

Should you feel the need to escalate the issue with an independent third party, you can contact the Australian Financial Complaints Authority (AFCA) at no cost to you. Details are:

Telephone: **1800 931 678**

Mail: Australian Financial Complaints Authority
GPO Box 3, Melbourne VIC 3001

Email: **info@afca.org.au**

Website: **afca.org.au**

Your privacy

We and our authorised representative, RAC Distribution, (together the 'RAC') collect, store and use your personal information in accordance with the Privacy Act and as set out below. By taking out your policy you agree to this.

The RAC use and require your personal information to consider your insurance application and any subsequent application for insurance, issue and administer your policy and investigate and assess any insurance claim. For the purposes of doing so, your personal information may be passed to, or received from, a joint policyholder, RAC's assessors, investigators, repairers, suppliers, contractors, other insurance companies, insurance reference bureaus, law enforcement agencies, our related companies, legal and professional advisers, IT providers, and their agents, some of whom may be overseas.

The RAC may also use your personal information to tell you about other RAC Group products and services. Your personal information may be passed to other entities for promotional purposes. These entities may be associated with the RAC, operate under RAC's Brand, or be agents, contractors or allied organisations. You may tell the RAC not to use your personal information for these promotional purposes at any time by contacting us on **13 17 03**.

If the interest of a financier is noted on your policy, you consent to the RAC providing details of your policy and its currency to the financier.

If you would like to review or correct the personal information the RAC Group has about you, or if you wish to make a complaint, please call **13 17 03**. For further information, see the RAC Group Privacy Policy at **rac.com.au**

Financial Claims Scheme

The purpose of the Financial Claims Scheme (FCS) is to protect certain policyholders and claimants in the event an insurer becomes insolvent and cannot pay its obligations under the policy. A person entitled to claim may be entitled to payment under the FCS, subject to meeting eligibility criteria. Information about the FCS can be obtained from the Australian Prudential Regulation Authority (APRA) website at **fcs.gov.au** or the APRA hotline on **1300 55 88 49**.

The General Insurance Code of Practice

We adhere to the General Insurance Code of Practice, which aims to improve industry standards and practice across general insurance products and services.

The code is independently monitored and enforced by the Code Governance Committee. You can obtain a copy of the code by visiting **codeofpractice.com.au**

Updating the PDS

We may need to update this PDS from time to time if certain changes occur, where required and permitted by law. We will issue you with a new PDS or a Supplementary PDS or other compliant document to update the relevant information except in limited cases. Where the information is not something that would be materially adverse from the point of view of a reasonable person considering whether to buy this insurance, we may issue you with notice of this information in other forms or keep an internal record of such changes (you can get a paper copy free of charge by calling us).

About us

The underwriter and the issuer of your policy is RAC Insurance Pty Limited (ABN 59 094 685 882, AFS licence number 231222), a wholly owned subsidiary of RACI Pty Ltd (ABN 40 008 671 805), part of the RAC Group of Companies.

You can contact us:

- » By calling: **13 17 03**
- » Via our website: **rac.com.au**
- » By visiting any RAC Member Service Centre
- » By writing to us at PO Box C140, Perth WA 6839

Definitions

The following words when used in this PDS have defined meanings.

Act – means an Act of parliament and includes any amendment, re-enactment or successor legislation of that Act.

asbestos – includes asbestos fibres and any derivatives of asbestos.

building – the physical structures located on your site which are used primarily for domestic living purposes.

consequential loss – is any loss or damage following an insured event, that is not directly caused by an insured event. Consequential loss includes but is not limited to:

- » The cost of your time to help us with your claim, loss of wages or income, medical costs.
- » Non-financial loss including loss of opportunity or enjoyment, physical or mental stress or inconvenience, injury to feelings or humiliation, delay in claims handling or repairs, interference to peace of mind.

contents – items that you own that are not permanently attached or fixed to the building, and that you leave in the building for private use and domestic purposes.

event – an event that was unintentional, unexpected or unforeseeable where loss or damage occurs and includes a series of events arising out of the one occurrence.

excess – the amount you may be required to pay towards settlement of any claim.

fire – burning with flames.

good repair and condition – means that the building is generally in good repair and condition, including that:

- » The building is watertight and not at risk of water ingress;
- » The building is structurally sound and free of structural defect, decay or deterioration;
- » The building is free of vermin and vermin damage;
- » The building does not pose a risk to human health or safety;
- » All external facing windows and doors are lockable, intact and not boarded up;

- » The building is secure (including that the building is not occupied by squatters or unauthorised persons, and that the property is not under immediate threat of theft, loss or damage by known or unknown persons);
- » The building is well maintained (including that all general maintenance issues are promptly attended to, and that all previous damage has been fixed),

unless you did not know or did not contribute to and can show us that it was reasonable on your part to have been unaware of the condition.

infectious disease - means:

- » Any listed human disease under the Biosecurity Act 2015 (Cth) (whether or not it was listed as such at the time of the event).
- » Rabies.
- » Cholera.
- » Highly Pathogenic Avian Influenza or any strain or mutant variation of it.
- » Coronavirus disease (COVID-19).
- » Severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) or any strain or mutant variation of SARS-CoV-2.
- » Transmissible Spongiform Encephalopathy (TSE) including but not limited to Bovine Spongiform Encephalopathy (BSE) or new Variant Creutzfeldt-Jakob Disease (VCJD).
- » Any fear or threat (or perceived fear or threat) of any of the above.

insured events - the events listed in the 'Insured Events' section of this policy, which may cause unforeseen or unintended loss, destruction or damage.

listed human disease - a reference to a listed human disease shall have the meaning found in the Biosecurity Act 2015 (Cth) and in any replacement definition, or where there is no replacement definition the term shall have the meaning of a term which is substantially similar in meaning as defined in or declared in any amendment, re-enactment or successor legislation.

open air - means any area at the site that is not fully enclosed by walls and a roof and not able to be secured.

PED Guide – Premium, Excess and Discount Guide designed to provide you with additional information regarding discounts, excesses and calculation of premiums that apply under your policy. It is available at **rac.com.au** or by calling **13 17 03**.

period of insurance – the length of time your policy provides cover for as shown in your schedule.

pet – is a domestic animal not used for racing or commercial breeding purposes that you keep in your building or on the site.

policy – together this PDS, PED Guide, schedule and any Supplementary PDS we may issue.

premium – the amount you pay for your insurance. This includes GST and government charges.

replacement – replacement shall be by equivalent property in new condition.

schedule – the document we give to you that shows the particular details regarding you, your contents, personal valuables and the insurance we have agreed to provide.

site – the land at the address on your schedule on which your building(s) is located. Your site includes any land within the legal boundaries of that property, as well as all land adjoining the property, that you have a legal right to occupy. The site does not include common property.

sum insured – is the maximum amount we will insure your insured property and/or belongings for unless stated otherwise in this document. The relevant sum insured is shown on your schedule and includes GST.

terrorism – includes but is not limited to the use of force or violence and/or threat, by any person or group of persons done for or in connection with political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

uninhabitable – unfit for habitation due to damage to the building, or the risk posed by the building to human health or safety. This includes where there is no electricity or running water, windows are boarded up, or there are insufficient kitchen or bathroom amenities.

unoccupied - means that no one is eating, sleeping or living in the building as their usual place of residence, and includes where:

- » The building is not tenanted under a rental agreement.
- » The building is uninhabitable or not connected to utilities.

we, us, our - RAC Insurance Pty Limited.

you, your - the person(s) or entity named as the policyholder on the schedule.

your family - any family member who permanently lives with you (including your spouse, partner or de facto, parents, parents-in-law, grandparents, children, grandchildren, brothers and sisters and their respective spouse, partner, de facto or children).

Financial Services Guide

About this Financial Services Guide

This Financial Services Guide provides you with information about RAC Distribution Pty Ltd (in this FSG defined as RAC Distribution, we or us) to assist you in deciding whether to use the financial services we provide. This FSG outlines the type of services and products we can offer you. It also explains how we are remunerated and includes details of our complaints handling procedures and how you can access them.

Any advice about the products we give you is of a general nature. We do not take into account your needs, specific objectives or financial position.

You can contact us:

- » By calling: **13 17 03**
- » Via our website: **rac.com.au**
- » By visiting any RAC Member Service Centre
- » By writing to us at PO Box C140, Perth WA 6839

Our services

RAC Distribution are authorised by RAC Insurance Pty Limited (RAC Insurance) to offer you a range of financial services on RAC Basic Contents and Personal Valuables Insurance including:

- » Provide general product advice (advice that has not been tailored to your personal objectives, financial situation or needs).
- » Arrange for the issue of RAC Insurance's products.
- » Issue RAC Insurance's products as its agent.
- » Agree on policy variations requested by you.

How we are paid

RAC Distribution do not charge you a fee or commission for our services.

We operate under a fee for service arrangement based on the amount of time we spend providing sales and services on behalf of RAC Insurance. This fee is reviewed annually and is subject to change from time to time.

Employees of RAC Distribution receive a salary and operate under a performance based incentive scheme. On average, the bonus is unlikely to exceed 2% of the employees' annual salary.

You may, within a reasonable time after receiving this FSG and before any financial service is provided, request to obtain further information about the remuneration, fees and any benefit that may be paid to us for these services.

Addressing complaints

Customer satisfaction is a priority for us. If you have a complaint about the financial services we have provided, please follow the steps for resolution of complaints set out on page 29.

Compensation arrangements

RAC Distribution has professional indemnity insurance in compliance with the requirements of the Corporations Act 2001 and for the financial services outlined in this FSG. The professional indemnity cover extends to financial services provided by representatives who are no longer employed by us in that capacity but who provided such financial services at the time the loss, damages or breach of an obligation occurred.

**Contact
us**

General enquiries **13 17 03**

 **facebook.com/RACWA**

 **@racwa**

 **rac.com.au**

For deaf, hearing or speech impaired members:
General enquiries **relayservice.gov.au**

RAC Insurance Pty Limited ABN 59 094 685 882
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