

# Home, Contents and Portable Items Insurance

## Supplementary Product Disclosure Statement

Date prepared: 22 September 2023 | Effective date: 9 November 2023

This Supplementary Product Disclosure Statement (SPDS) is dated 22 September 2023 and must be read in conjunction with **RACT Home, Contents and Portable Items Insurance Product Disclosure Statement** version F1300 09/21 (PDS).

This SPDS applies to policies with an effective date on or after 9 November 2023. The information in this SPDS updates the terms contained in the PDS and should be read together with the PDS and any other applicable SPDS.

Home, Contents and Portable Items Insurance is issued by RACT Insurance Pty Ltd  
ABN 96 068 167 804 AFS Licence No 229076.

If you would like another copy of your PDS, please go to [ract.com.au](http://ract.com.au), call 13 27 22 or visit an RACT branch.

The purpose of this SPDS is to:

- Update how we settle claims and what you need to do to establish your loss
- Update your rights to keep damaged or recovered property
- Update when we may pay the full sum insured to a mortgagee or legal owner of your insured property
- Update your cover for:
  - loss or damage from lightning
  - damage to electric motors
  - loss or damage to contents in the open air at the insured address
  - food and medication spoilage

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RACT Insurance Pty Ltd | GPO Box 1292, Hobart TAS 7001 | ABN 96 068 167 804



[ract.com.au](http://ract.com.au) | 13 27 22

# Home, Contents and Portable Items Insurance

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(CONTINUED)

The purpose of this SPDS is to:

- Update your additional cover for:
  - temporary accommodation for renters or for strata title owners
  - landlord's fixtures and fittings when you are a renter
- Remove the additional cover for Accidental Death
- Update the general exclusions and legal liability exclusions
- Update the defects and maintenance exclusions
- Update the definition of 'Good order and repair and well maintained'

### Changes to your PDS

Your PDS is amended by the following:

#### Change 1 – Update to 'How we settle your claim'

- a) Your PDS is amended by removing the following on page 13 under the 'Home' section:

*When your home has been damaged and the damage is covered by your policy, at our option we will:*

- *repair your home;*
- *rebuild your home; or*
- *pay you a cash settlement to repair or rebuild your home.*

*If we repair (or pay you a cash settlement to repair), we will at our option do so on a 'new for old' basis or to a similar condition to what your home was in before the loss or damage occurred.*

Updated wording is as follows:

When your home has been damaged and the damage is covered by your policy, at our option, acting reasonably and having regard to your preference, we will:

- repair your home;
- rebuild your home; or
- pay you a cash settlement to repair or rebuild your home.

If we repair (or pay you a cash settlement to repair), we will, at our option, acting reasonably and having regard to your preference, do so on a 'new for old' basis or to a similar condition to what your home was in before the loss or damage occurred.

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### Change 1 – Update to ‘How we settle your claim’ (continued)

- b) Your PDS is also amended by removing the following on page 14 under the ‘Contents’ section:

*When your contents have been damaged and the damage is covered by your policy, at our option we will:*

- *repair your contents;*
- *replace your contents ‘new for old’; or*
- *pay you a cash settlement to repair or replace your contents.*

*If we repair (or pay you a cash settlement to repair), we will do so on a ‘new for old’ basis or to a similar condition to what the contents were in before the loss or damage occurred.*

Updated wording is as follows:

When your contents have been damaged and the damage is covered by your policy, at our option, acting reasonably and having regard to your preference, we will:

- repair your contents;
- replace your contents ‘new for old’; or
- pay you a cash settlement to repair or replace your contents.

If we repair (or pay you a cash settlement to repair), we will, acting reasonably and having regard to your preference, do so on a ‘new for old’ basis or to a similar condition to what the contents were in before the loss or damage occurred.

- c) Your PDS is also amended by removing the following on page 16 under the ‘Portable items’ section:

*When your portable items have been stolen, lost or accidentally damaged and the theft, loss or damage is covered by your policy, at our option we will:*

- *repair your portable items;*
- *replace your portable items ‘new for old’; or*
- *pay you a cash settlement to repair or replace your portable items.*

Updated wording is as follows:

When your portable items have been stolen, lost or accidentally damaged and the theft, loss or damage is covered by your policy, at our option, acting reasonably and having regard to your preference, we will:

- repair your portable items;
- replace your portable items ‘new for old’; or
- pay you a cash settlement to repair or replace your portable items.

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### Change 1 – Update to ‘How we settle your claim’ (continued)

- d) Your PDS is amended by removing the following on page 13 under the ‘Home’ section:

*If we agree to pay you a cash settlement at your request (and we would otherwise opt to repair or rebuild) we will pay you what it would cost us to repair or rebuild the damage to your home which is covered by your policy.*

Updated wording is as follows:

If we agree to pay you a cash settlement at your request (and we would otherwise opt to repair or rebuild) we will pay you what it would cost us to repair or rebuild the damage to your home which is covered by your policy. This may be less than what it would cost you to arrange the repair or rebuild, as we can secure discounts from our suppliers that may not be available to you.

- e) Your PDS is amended by removing the following on page 14 under the ‘Contents’ section:

*If we agree to pay you a cash settlement at your request (and we would otherwise opt to repair or replace) we will pay you what it would cost us to repair or replace the damaged contents which are covered by your policy.*

Updated wording is as follows:

If we agree to pay you a cash settlement at your request (and we would otherwise opt to repair or replace) we will pay you what it would cost us to repair or replace the damaged contents which are covered by your policy. This may be less than what it would cost you to arrange the repair or replacement, as we can secure discounts from our suppliers that may not be available to you.

### Change 2 – Update to ‘Summary of important claims information’ – ‘Establish your loss’

Your PDS is amended by removing the following on page 20 under the ‘Establish your loss’ section:

*When making a claim you must be able to establish that your loss or damage is covered by your policy. You must substantiate what has suffered a loss, been lost, stolen or damaged (including providing proof of ownership except where you have suffered a total loss and you are unable to provide proof of ownership for the relevant insured property because it was lost in or damaged by the insured event, and your ownership is clear, in which case we will not require proof of ownership).*

Updated wording is as follows:

When making a claim you must be able to establish that your loss or damage is covered by your policy. You must substantiate what has suffered a loss, been lost, stolen or damaged (including by taking reasonable steps to provide proof of ownership where reasonably required by us).

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### Change 3 – Update to ‘Summary of important claims information’ – ‘Damaged or recovered property’

Your PDS is amended by removing the following on page 20 under the ‘Damaged or recovered property’ section:

*If we agree that you can keep an item, we may determine a salvage value and deduct that value from any settlement we make to you. The item will then remain your property.*

Updated wording is as follows:

If we agree that you can keep an item (which we will not refuse unreasonably), we may determine a reasonable salvage value for the item and deduct that value from any settlement we make to you. The item will then remain your property.

### Change 4 – Update to ‘Payment of sum insured’

Your PDS is amended by removing the following on page 21:

*If we pay the full sum insured for your home, we may pay your mortgagee or legal owner of your insured property any amounts you owe to them prior to paying any balance of the claim to you.*

Updated wording is as follows:

If we pay the full sum insured for your home, we may pay your mortgagee or legal owner of your insured property any amounts you owe to them prior to paying any balance of the claim to you, where we are reasonably satisfied that the amount is payable under relevant law or contractual agreement.

### Change 5 – Update to ‘Insured events’

- a) Your PDS is amended by removing the following on page 24 under the ‘Lightning’ section of the home insurance:

*We do not cover:*

*Loss or damage to your home:*

- without written confirmation from a qualified expert saying lightning was the actual cause of the loss or damage; or*
- where your electricity supplier or the Australian Government Bureau of Meteorology have no record of lightning in your area at the time of the loss or damage.*

Updated wording is as follows:

*We do not cover:*

Loss or damage to your home where your electricity supplier or the Australian Government Bureau of Meteorology have no record of lightning in your area at the time of the loss or damage.

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### Change 5 – Update to ‘Insured events’ (continued)

- b) Your PDS is also amended by removing the following on page 44 under the ‘Lightning’ section of the contents insurance:

*We do not cover:*

*Loss or damage to your contents:*

- *without written confirmation from a qualified repairer saying lightning was the actual cause of the loss or damage; or*
- *where your electricity supplier or the Australian Government Bureau of Meteorology have no record of lightning in your area at the time of the loss or damage.*

Updated wording is as follows:

**We do not cover:**

Loss or damage to your home where your electricity supplier or the Australian Government Bureau of Meteorology have no record of lightning in your area at the time of the loss or damage.

### Change 6 – Update to ‘Optional cover’

- a) Your PDS is amended by removing the following on page 39 under the ‘Damage to electric motors’ section of home insurance:

- *loss or damage:*
  - *unless you can provide written confirmation from a qualified repairer saying the loss or damage was caused by a burnt out or fused motor and if required, you make the item available to us for inspection;*

Updated wording is as follows:

- **loss or damage:**
  - **which was not caused by a burnt out or fused motor or, if required, you do not make the item available to us for inspection;**

- b) Your PDS is also amended by removing the following on page 58 under the ‘Damage to electric motors’ section of contents insurance:

- *loss or damage:*
  - *unless you can provide written confirmation from a qualified repairer saying the loss or damage was caused by a burnt out or fused motor and if required, you make the item available to us for inspection;*

Updated wording is as follows:

- **loss or damage:**
  - **which was not caused by a burnt out or fused motor or, if required, you do not make the item available to us for inspection;**

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### Change 7 – Update to ‘Contents insurance’

Your PDS is also amended by removing the following on page 42 under the ‘Contents in the open air at the insured address’ section of contents insurance:

*We do not cover:*

- items insured under a portable items policy;

Updated definition is as follows:

*We do not cover:*

- items insured under a portable items policy held by a person other than you;

### Change 8 – Update to ‘Additional cover’

- a) Your PDS is amended by removing the following on page 7 from the ‘Home and contents’ summary table:

|                  |   |    |   |    |
|------------------|---|----|---|----|
| Accidental death | ✓ | 36 | ✓ | 54 |
|------------------|---|----|---|----|

- b) Your PDS is amended by removing the following on page 36 under the ‘Accidental death’ section of home insurance:

*Accidental death*

*We cover: You, if you are physically injured as a result of an insured event and those injuries result in your death within 90 days of the insured event.*

*Limit: \$5,000 per claim.*

*Note: We will pay this benefit under your home policy or your contents policy, but not both.*

*At our discretion, we will pay this benefit to your surviving spouse (legal or de facto) or to your estate.*

- c) Your PDS is also amended by removing the following on page 54 under the ‘Accidental death’ section of contents insurance:

*Accidental death*

*We cover: You, if you are physically injured as a result of an insured event and those injuries result in your death within 90 days of the insured event.*

*Limit: \$5,000 per claim.*

*Note: We will pay this benefit under your home policy or your contents policy, but not both.*

*At our discretion, we will pay this benefit to your surviving spouse (legal or de facto) or to your estate.*

- d) Your PDS is also amended by removing the following on page 52 under the ‘Temporary accommodation for renters or for strata title owners’ section:

*We do not cover:*

- any amounts you are able to claim for temporary accommodation costs under another policy, such as a building policy or any policy taken out by a body corporate or a similar entity;

Updated wording is as follows:

*We do not cover:*

- any amounts you are able to claim for temporary accommodation costs under another policy taken out by persons other than you, such as a body corporate or a similar entity;

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### Change 8 – Update to ‘Additional cover’ (continued)

- e) Your PDS is also amended by removing the following on page 53 under the ‘Landlord’s fixtures and fittings when you are a renter’ section:

*We do not cover:*

- *loss or damage to your landlord’s installed carpets, fixtures and fittings if they are covered under another policy held by you or your landlord;*

Updated wording is as follows:

**We do not cover:**

- loss or damage to your landlord’s installed carpets, fixtures and fittings if they are covered under another policy held by a person other than you, such as your landlord;

### Change 9 – Update to ‘Extra cover’

Your PDS is amended by removing the following on page 55 under the ‘Food and medication spoilage’ section of contents insurance:

*We do not cover:*

*Loss or damage:*

- *without written confirmation from a qualified repairer saying mechanical breakdown was the actual cause of the loss or damage; or*
- *without written confirmation from the power supply company to support unforeseeable interruption to public power grid;*
- *to the refrigerator or freezer caused by spoiled food or medication.*

Updated wording is as follows:

**We do not cover:**

Loss or damage to the refrigerator or freezer caused by spoiled food or medication.

### Change 10 – Addition to ‘Legal liability’

Your PDS is amended by adding the following wording at the end of ‘Legal liability exclusions’, after ‘Workers compensation or third-party personal injury insurance’ on page 61:

Provided that, where any of the acts or omissions of you or another person referred to in these Legal Liability Exclusions could reasonably be regarded as being capable of causing or contributing to a loss in respect of which insurance cover is otherwise provided by this policy, we may refuse to pay some or all of the claim. Alternatively, if our interests have been prejudiced as a result of that act or omission, then we can reduce the amount that we pay under the policy by an amount that fairly represents the extent to which our interests have been prejudiced.

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### Change 11 – Addition to ‘General exclusions’

- a) Your PDS is amended by removing the following on page 66 from the ‘Defects’ exclusion in the ‘General exclusions’ section:

*Any defect, imperfection, structural fault or design fault that you knew about or should reasonably have known about and did not fix before the loss or damage occurred.*

Updated wording is as follows:

**Any defect, imperfection, structural fault or design fault that you knew about or should reasonably have known about and did not fix as soon as practicable after becoming aware of it.**

- b) Your PDS is amended by removing the following on page 68 from the ‘Maintenance’ exclusion in the ‘General exclusions’ section:
- *you not keeping the buildings at the insured address, contents and/or portable items in good order and repair and well maintained (see definitions for more information on ‘Good order and repair and well maintained’ on page 71);*
  - *you not taking all reasonable care to protect your property;*
  - *wear, tear, depreciation, rust, fading, mould, rising damp, mildew, rot or other forms of corrosion. For example, tiles or their adhesive or grouting breaking down;*
  - *you failing to fix faults and defects as you become aware of them;*
  - *neglect, untidiness, uncleanliness or unhygienic acts.*

Updated wording is as follows:

- you not taking reasonable steps to keep the buildings at the insured address, contents and/or portable items in good order and repair and well maintained (see definitions for more information on ‘Good order and repair and well maintained’ on page 71);
  - you not taking all reasonable care to protect your property;
  - wear, tear, depreciation, rust, fading, mould, rising damp, mildew, rot or other forms of corrosion. For example, tiles or their adhesive or grouting breaking down;
  - you not fixing faults and defects as soon as practicable after you become aware of them;
  - neglect, untidiness, uncleanliness or unhygienic acts.
- c) Your PDS is amended by adding the following wording at the end of ‘General exclusions’, after ‘Tree lopping/tree roots’ on page 69:
- Provided that, where any of the acts or omissions of you or another person referred to in these General Exclusions could reasonably be regarded as being capable of causing or contributing to a loss in respect of which insurance cover is otherwise provided by this policy, we may refuse to pay some or all of the claim. Alternatively, if our interests have been prejudiced as a result of that act or omission, then we can reduce the amount that we pay under the policy by an amount that fairly represents the extent to which our interests have been prejudiced.

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### Change 12 – Update to ‘Definitions’

Your PDS is amended by removing the following from the definition of ‘Good order and repair and well maintained’ on page 71:

*Your home, contents and/or portable items do not have any faults or defects that could cause any loss of damage to your own property or property of others, or death or bodily injury to other people, or could add to the cost of repair, (or mean an item needs to be replaced other than being repaired).*

*It also means, in relation to your home and/or contents, that they are watertight, structurally sound, and secure, with a functioning bathroom and kitchen.*

Updated definition is as follows:

Your home, contents and/or portable items do not have any faults or defects, which you know about or should reasonably know about and have not fixed as soon as practicable after becoming aware of them, that could cause any loss of damage to your own property or property of others, or death or bodily injury to other people, or could add to the cost of repair (or mean an item needs to be replaced other than being repaired).

It also means, in relation to your home and/or contents, that they are structurally sound and secure, with a functioning bathroom and kitchen.

This update takes effect from 9 November 2023.

