



AAMI adds flood cover to home policies
Opt-out available to higher risk properties

Leading national insurer AAMI today added flood cover to its personal Home Buildings and Home Contents policies.

AAMI Corporate Affairs Manager, Reuben Aitchison, said that a significant programme of work has gone on behind the scenes in order to implement this new cover for its customers. “AAMI last year transitioned to a new pricing platform that allows us to more accurately assess risk at an individual address level. With that change, and with updated flood data, we can now offer flood cover to our personal Home Building and Contents Insurance customers* across all parts of Australia.”

“We are very pleased that we are now able to offer this cover to customers who want to better protect their financial future against the devastation of floods.”

The new flood cover became effective on both new and existing policies from Sunday 5th February.

Key Points:

- Existing AAMI Home Buildings and Contents customers who held a policy on 5th February now have cover for flood (effective from Sunday 5th February 2012) for no additional charge until their next renewal on or after 31st March.
- All new AAMI Home Building and Contents policies purchased from 5th February include the new flood cover.
- A small number of customers at a higher risk of flood will be given the choice to ‘opt-out’ and to remove the cover from their policy. This applies to new AAMI Home Buildings/Contents customers from February 5th and to existing AAMI Home Buildings/Contents customers on their next renewal on or after March 31st 2012.
- The vast majority of AAMI Home Building and Contents customers (over 90%) are at minimal risk of flooding, and the inclusion of the new flood cover will have little effect on their premium.

Customers with AAMI Home Building Insurance continue to have the benefit of AAMI’s Complete Replacement Cover[®].

“Adding flood cover to a home insurance policy can result in significant premium increases for properties at a higher risk of flood,” Mr Aitchison acknowledged, “and we understand the financial pressures that brings, so for customers that we have identified as facing a significant flood risk, we are giving them the choice to opt out of the flood cover element of the policy.”

Mr Aitchison added: “We are contacting all of our existing Home Building and Contents customers directly to advise them of the changes and provide them with a Supplementary Product Disclosure Statement detailing the new cover.

For more information or to arrange an interview or grabs, please contact:

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*Flood has the meaning defined in the PDS or SPDS. This change does not apply to AAMI Renter's/Fire & Theft Contents Insurance.

For more information on AAMI's new flood cover, and how it works, visit our customer microsite at:

<http://www.aami.com.au/floodcover>

About AAMI

AAMI is a leading national insurer, recognised as an industry innovator providing award-winning products and customer service. AAMI was voted Best General Insurer for 2011 in the Financial Review's Smart Investor League of Exceptional Service (SMILES) Awards. Australian Associated Motor Insurers Ltd (AAMI), ABN 92 004 791 744