



Cash Settlements.

Deciding if a cash settlement is right for you

It's time to decide how you would like to settle your claim with us. For some, cash settlement is an option that makes sense, whilst for others, repairing or rebuilding with our builders or replacing contents with our suppliers is a better option.

This brochure outlines our cash settlement process and what you should consider when thinking about and accepting a cash settlement offer from us.

We are always here to help, especially if you have specific questions about your claim and your cash settlement amount. Always refer to your policy's Product Disclosure Statement (PDS), relevant Additional Information Guides (AIG), Supplementary Product Disclosure Statements (SPDS) and your Certificate of Insurance.

What is a cash settlement?

A cash settlement is an amount of money we offer to settle your claim instead of using our own builder to repair or rebuild your home and repair or replace your contents.

You can choose to cash settle some or all of your claim with us if you would prefer to use your own builder or buy new contents.

Unfortunately, there are times where we cannot use our builders to repair or rebuild homes or repair or replace contents. This can happen for various reasons, including (but not limited to) the following:

- Your home has not been maintained as required by your policy. Remember, you are responsible for keeping your home well maintained on a regular basis.
- The council will not allow you to repair or rebuild your home.
- Your home is unsafe or there are structural defects or issues that could impact our lifetime guarantees on home repairs.
- You are in the process of, have scheduled or completed your own private renovations or repairs.
- For home claims, the cost to repair or rebuild your home to today's standards exceeds your policy limits or sum insured.
- The cost to repair or replace damaged items is more than your policy limits or sum insured.
- Our supplier network doesn't have the types of contents you're needing to replace.



If we need to cash settle your home claim, we will work through this with you.

For damaged contents, we'll offer a cash settlement if you would prefer or if our supplier network cannot replace the items for you.

Calculating the cash settlement amount

We calculate the cash settlement amount after we have assessed the damage and considered builder quotes to repair or rebuild your home or replace your contents on a 'new for old' basis. Whilst we usually use our suppliers to understand the repair methods, labour, materials, and costs, you are welcome to provide your preferred supplier quotes for our consideration.

Your cash settlement amount might be less than what it could cost you to arrange the repairs or rebuild with your builder or repair or replace damaged contents. This is because we have agreed to competitive rates with our supplier network.

What is 'new for old'?

Your policy will cover the cost of new equivalent items to repair and rebuild your home and replace your contents. These items will need to be reasonably or readily available at the time from Australian providers and there is no allowance for depreciation. For example, a leather lounge which was purchased five years ago for \$5,000 is now worth \$2,000. It will be replaced with a brand-new leather lounge equivalent to your old lounge when it was new. Cover is not limited to \$2,000.

What you should consider

When thinking about whether to accept a cash settlement, there's a few things for you to consider:

- ✓ The amount of the cash settlement might be less than what it could cost for you to arrange the repairs and rebuild.
- ✓ When you accept a cash settlement that pays out your full home sum insured, your insurance policy on your home will end on the day payment of the sum insured is made to you or when we otherwise finalise your claim.
- ✓ For cash settlement for contents sum insured, please refer to your Product Disclosure Statement for more information.
- ✓ When renewing your policy, you may need to provide supporting documentation, including receipts for completed repairs or items replaced to support your renewal.
- ✓ You will be responsible for managing the repairs or rebuild for your home and the costs. This means you will need to find, organise, and coordinate the builders and tradespeople you use.

- ✓ Delays in the repair and rebuild, due to a shortage of builders and tradespeople or materials will need to be managed by you. This could increase your costs.
- ✓ Our lifetime guarantee for home repairs will not apply to your repairs or rebuild. If you are using your own builder, make sure you enquire regarding their insurances, warranties and guarantees.
- ✓ If you have a mortgage on your home, your bank or lender may be entitled to some or all of a cash settlement payment. If you are considering a cash settlement, you may need to discuss this with your bank or lender so you can understand what this means for you.

Please also make sure you check that all damage has been included in your claim. Whilst we will still consider damage found after your cash settlement has been paid, we'll need to assess this and determine if we will accept this damage as part of your original claim.

Working together

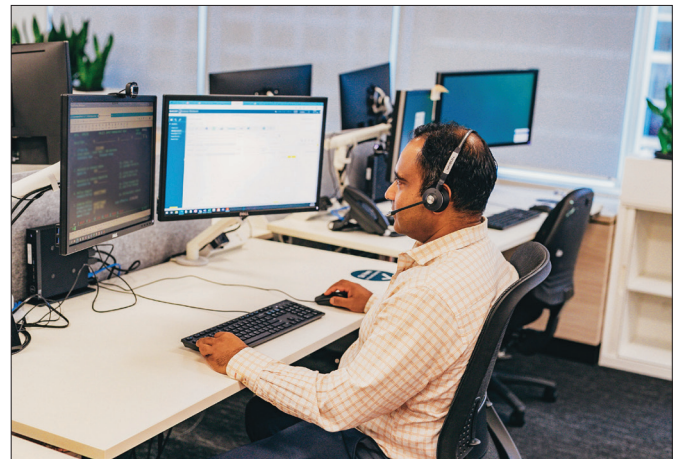
It's important that we both work together to cash settle your claim.

In most circumstances, we will prepare a Cash Settlement Fact Sheet and provide it to you for your consideration. It will include the amount of your settlement and the options that may also be available to you including whether we can repair or rebuild your home and repair or replace your contents.

When you have decided to accept a cash settlement for part of or all of your claim, please let us know via the GIO App, website, email, or over the phone. Your Claims Manager will then:

- Ask for your bank account details, including your account name, BSB and account number.
- Contact you when we are completing your cash settlement funds transfer and advise when you should expect to receive the funds in your account. Generally, payments may take between three to five business days.

We will also be able to help answer any questions you have, including questions regarding the amount we're offering to pay.



Are you in need of extra help and support?

We understand that sometimes you may need extra care and support in difficult times in your life. We are committed to looking after your needs with sensitivity, dignity, respect, and compassion. Please let us know and we can work together to help find the support you need.

Frequently asked questions

I have already been cash settled and have found more damage. Am I covered for this additional damage?

If you identify further damage, please stop the repair work, if safe to do so, and contact us immediately. We will confirm the next steps to assess the new damage and if agreed, make an additional payment if you are entitled as part of the original claim.

How does taking a cash settlement affect my policy?

When you accept a cash settlement that pays out your full home sum insured, your insurance policy on your home will end on the day payment of the sum insured is made to you or when we otherwise finalise your claim.

For cash settlement for contents sum insured, please refer to your Product Disclosure Statement for more information.

At policy renewal, you may also be required to submit supporting documentation for previous claims that have been cash settled, such as receipts for building or repair work or replacement of contents items.

What happens if I don't agree with your settlement amount after I have sourced builder or contents quotes?

We are here with you every step of the claims process, so if you have any questions about your cash settlement amount, please speak to us.

What happens if I don't want to cash settle, but you cannot repair or rebuild my home?

Unfortunately, there are times when we won't be able to repair or rebuild your home. We will work through this with you.

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