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Hailstorm Repairs - Summary of Western Sydney Insurance Claims

Following from the 9 December 2007 hail storm which caused significant damage to homes and businesses in Western Sydney, the Insurance Council today provided an update on the repair work to date. As of 4 April, over 7,000 insured properties have now had their roofs repaired. This represents over 81% of insured properties.

“The wettest summer in 17 years in Sydney certainly caused major delays in the early stages of the repair effort by the member companies of the Insurance Council, as builders cannot carry out repairs in unsafe weather conditions” CEO of the Insurance Council, Kerrie Kelly said today.

Member companies are working hard to finalise repairs to the roofs of the remaining 1600 insured properties. The vast majority of those remaining (1300) have asbestos roofs (sheeting). Where an asbestos roof has been identified repairs take longer to complete as the job must have full regard to individual and community safety. This clearly adds to the delay as all required precautions must be taken when dealing with this hazardous material.

The Insurance Council and its member companies have worked with the recovery taskforce that was established by the NSW Government in February 2008, to keep them regularly updated on the progress of insurance companies in repairing insured roofs.

This has also provided an opportunity for the industry to demonstrate the lessons learnt since the 1999 Sydney hailstorm, including the benefits of project management of the claims and repairs process and the value of partnering with well resourced high quality builders.

“As the general insurance industry reaches the final stages of its efforts in the recovery process, it will be an ongoing challenge for the NSW recovery taskforce, and the NSW government to continue to provide the valuable assistance and support to those households who did not have any insurance¹.

“A challenge for the government taskforce will be the approximately 1,450 property claims that have been cash settled thus far by member insurers for property damage. The repair work for these claims is now the sole responsibility of the householder who has chosen to take the cash settlement. Insurers do not encourage policyholders to take cash settlements because once the householder takes the cash, they may not get around to fixing their damaged property, and any repairs arranged by the policyholder with their own builders, are not warranted by the insurer.” Ms Kelly said.

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¹ Insurance Council commissioned research shows that in NSW approximately 650,000 households or 26% of all NSW households have no home or contents insurance.