


GENERAL INSURANCE


CONSUMER TIPS FOR DISASTER RECOVERY


NOVEMBER 2009


Australia is a country prone to flooding, bushfires and severe storms. Holding adequate insurance over your assets helps prudent Australians to recover when homes, contents, vehicles or businesses suffer damage and loss. The Australian insurance market is highly competitive and there is a wide range of choice between products – However, there are a number of general principles that are similar in terms of how a claim is made and managed following a disaster event.


The following universal tips may assist consumers who hold a valid insurance policy in making a claim and understanding what a typical insurance claim process looks like, you should however clarify with your insurer at the time of making a claim what that insurance company's precise process will be:


1  **Safety First.** Take the advice of any emergency services who have attended your property in terms of reoccupation. If the property is not safe, do not re-enter. Make sure you, your family or your colleagues remain safe at all times..


2  **Minimise the loss.** Apart from it being the sensible thing to do, many policies require a policyholder to take reasonable steps to prevent further loss. If it is safe to do so, you should ensure that you take immediate steps to minimise your loss. For example, temporary repairs such as a tarp over a broken roof, or moving undamaged possessions from a damaged part of a property to an undamaged room. Damaged or soiled items that might be a health hazard can often be removed to a safe area, or disposed of after being photographed or recorded in some way by the owner, to present later as part of an insurance claim. Check with your insurer first.

3  **Contact your Insurer.** To make an insurance claim immediately call your insurance company or your insurance broker. Claims hotlines for insurers are listed on the next page. Surprisingly, in nearly 20% of cases where a policyholder complains about an insurer to the Insurance Council, the policyholder has not yet made a claim or contacted the insurer. Contacting your insurer is critical in order to make a claim. If you have lost your policy documents and don't know who your insurer is, you can call the Insurance Council's **Hotline 1300 728 228** and a search will be initiated for an insurer that holds your details.

4  **Make an Inventory of the Loss.** Many policies operate on the basis of re-establishing your property and/or contents to a state as close as possible to prevent, usually within the constraints of the insured value you have nominated. It will usually assist with your claim if you make a list of what has been damaged or lost. This list will help insurance assessors and the insurance company to understand the value of your loss and to process the claim quickly. It can be challenging to remember all items, at the very least record the major items that were insured and be prepared to work with the insurance assessor to develop a more comprehensive inventory when the time comes.

5  **The Insurance Assessor.** Most large claims will involve a visit from an insurance assessor. In very large disasters assessors may be drawn upon from all over Australia to enable rapid first assessments of damage. The assessors task is to examine the loss, its value and circumstances, and then report back to the insurance company who will make a decision on the claim. In some circumstances specialist examinations may be required by engineers, trades, hydrologists or fire experts. All of this activity is designed to determine how the claim will be managed. Work as quickly and expeditiously as possible with the insurance assessor in order to progress the claim.

6  **Quotes & Scope of Works.** As part of the assessment process, or following it, trades will usually be despatched to measure and quote for the repair work. In some instances you may be asked to secure your own quotes from tradesmen for the insurer to consider. Working with your insurer to allow quotes and if necessary a scope of works to be agreed is a critical step towards having the repairs carried out or a cash settlement agreed. Many insurance companies have strategic relationships with large contracting and building companies to enable high quality work to be carried out to the standards of the insurer.

7  **Repairs or Cash Settlement.** Once quotes and scopes of work have been agreed, start dates will be agreed with required trades. In large disaster events this could understandably take some time and insurers will typically prioritise those most in need. In some instances insurers may offer a cash settlement or you may request one. It is important to note that under most policies the insurer will only cash settle for the value of the works at the rates their own builders could complete them for. Cash settlement for contents may be at new for old prices, depending on your policy, or may be through vouchers for departments stores where equivalent replacement goods can be found.

Not sure about something? If you have questions about your claim you should speak to your insurer in the first instance. If you have further questions you can also contact the Insurance Council's Hotline on **1300 728 228**. The Insurance Council operates an Insurance Taskforce for each major event and can raise your matter with executive management in each insurance company in order to quickly clarify any issues, before formal dispute processes are unnecessarily entered into.

Formal disputes, once launched, are managed under the industry code of practice, with external dispute resolution managed by the Financial Ombudsman.

AAMI	13 22 44	Hallmark General Insurance Company Limited	1800 800 230	SGIO	13 32 33
AIG Australia	(02) 9240 1711	HBFI Insurance Limited	1800 198 066	Sompo Japan Insurance Inc	(02) 9390 6220
AIOI Insurance Company Limited	1300 658 027	HDI-Gerling Astralia Insurance Company Pty Limited	(02) 8274 4200	Suncorp Metway Insurance Limited	13 25 24
Allianz Australia Insurance Limited	13 1000	ING Australia Limited	1800 815 688	Sunderland Marine Mutual Insurance Co Limited	(03) 9650 6288
Ansvar Insurance Limited	1300 650 540	Insurance Australia Group Limited	(02) 9292 9222	Swann Insurance	1300 657 318
AON Group Australia Limited	(02) 9650 0200	Insurance Manufacturers of Australia Limited	(02) 9292 9222	Territory Insurance Office	1300 301 833
APIA	13 50 50	LawCover Insurance Pty Limited	(02) 9264 8855	The Buzz Insurance	1300 729 870
Assetinsure Limited	(02) 9251 8055	Lloyd's Australia Limited	(02) 9223 1433	Tokio Marine & Nichido Fire Insurance Co Limited	(02) 9232 2833
Auto & General Insurance Industry Company Limited	(07) 3377 8801	Lumley Insurance	1300 586 539	Vero Insurance Limited	1300 888 073
Benfield (Australia) Limited	(02) 8209 4200	Medical Insurance Australia Pty Limited	1800 777 156	Virginia Surety Company Inc	(03) 9862 3222
Calliden Limited	1300 880 037	MIPS Insurance Pty Limited	1800 061 113	Wesfarmers Federation Insurance (WFI)	1300 934 934
Catholic Churches Insurance	1300 655 001	Mitsui Sumitomo Insurance Co Limited	(02) 9222 7601	Westpac General Insurance Limited	1300 369 989
CGU Insurance	1800 252 461	NIPPONKOA Insurance Company Limited	(02) 8224 4194	XL Insurance Global Risk	(02) 8270 1400
Combined Insurance Company of Australia	1300 300 480	NRMA	132 132	Youi Pty Limited	1300 009 684
CommInsure	13 24 20	NTI Limited	(07) 3290 3290	Zurich Financial Service Australia Limited	13 26 87
CUNA Mutual Australia Limited	1300 660 727	PMI Mortgage Insurance Limited	1300 367 764		
Elders Insurance Limited	13 56 22	QBE Insurance (Australia) Limited	13 37 23		
FM Global Company Limited	(03) 9609 1300	RAA Insurance Limited	1300 884 575		
Fortron Insurance Group Limited	1800 999 977	RAC Insurance Limited	13 17 03		
Genworth Financial	1300 655 422	RACT	13 27 22		
GIO General Limited	13 14 46	RACQ Insurance Limited	13 72 02		
Guild Insurance Limited	1800 810 213	SGIC	13 32 33		