

November 8, 2013

Insurers making rapid progress in handling and settling NSW bushfire catastrophe claims

Just three weeks after devastating bushfires struck New South Wales, causing insurance losses of more than \$183 million, a rapid response from the industry has meant insurance companies have already settled 27 per cent of total loss residential building claims.

Insurance Council of Australia (ICA) CEO Rob Whelan said insurers had worked tirelessly to prioritise bushfire catastrophe claims, in particular from those policyholders whose properties had been destroyed.

“Insurers have centred their efforts on ensuring affected policyholders have received compassionate and timely support during this traumatic time,” he said.

“Working through claims with sensitivity – and settling these as quickly as possible to the maximum extent of the purchased policies – has been the focus of the industry over the past three weeks.

“The quick progress on settlements is to be commended, because it helps empower policyholders to make timely decisions about their properties and their futures.

“I urge any policyholder who has received a cash settlement from their insurer to seek financial counselling to maximise the benefit of what is a very large one-off sum.”

Claims details

- Policyholders have lodged 1632 claims with estimated insurance losses now totalling \$183.1 million
- Almost \$50 million has already been paid in services and settlements to policyholders
- Insurers are spending more than \$3.3 million each working day on temporary accommodation, payments, vehicles, contents replacement and services

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Insurance forum, Tuesday November 12, 6pm-8pm

The ICA is holding an insurance forum for affected policyholders in Springfield on Tuesday.

Representatives from the ICA will be joined by insurance companies, the Financial Ombudsman Service, New South Wales Legal Aid and the National Insurance Brokers Association. The Blue Mountains Council will talk on rebuilding standards.

The closed-door forum is for policyholders only.

Policyholders may register by phoning 1800 734 621.

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- Insurers have received 740 residential building claims with losses of \$132 million; of these, 214 are for properties that are a total loss
- Claims for home and contents insurance total \$33 million from 604 claims, with 25 per cent already closed
- Almost half of the 154 domestic motor vehicle claims (\$3.4 million) have been settled
- Insurers are also processing 114 commercial claims (initial insurance loss estimate is \$14.6 million)

Mr Whelan said: “Insurers advise the rebuilding process for many affected residents and business owners could take longer than 12 months given the complexities of rebuilding to new standards and underinsurance issues.”

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