

Factsheet 5: High-Risk Weather Season – Insurance Claims and Disputes

How do I check that my home or contents insurance policy is sufficient?

You can check your 'sum-insured' (that is, the maximum amount of money your insurer will pay for any one insured event) by looking at your Product Disclosure Statement and your policy schedule. These documents set out the scope of your insurance cover. You should ask your insurer for these documents if you don't have them.

Check whether the amount of cover meets your needs. For home and contents insurance, your cover will meet your needs where your sum-insured matches the value of your home and the contents of your home. If your sum-insured is **less** than the value of your home and contents, you may want to negotiate your level of cover with your insurer or look into changing insurer.

I have home insurance, but I can't remember which company it is with. How can I find out?

The **Insurance Council of Australia** can tell you what company your insurance policy is with. You can make an inquiry by submitting an online form at www.insurancecouncil.com.au/consumers/help-in-disasters/.

How do I make a claim?

Your insurer's website should have information about how to submit a claim. You can generally submit a claim to your insurer online or by calling them. Make sure you have checked your insurance policy to determine what you are eligible to claim for.

When submitting your claim, gather as much information as possible. This could include a list and description of all the items you wish to claim for, including when they were purchased and how much you paid for them. Take photos of all the items and damage you are claiming for if it's safe to do so.

Am I entitled to emergency accommodation under my insurance policy?

If you can't live in your home due to damage, your insurer may help you pay for temporary accommodation. Check your insurance policy to check if you are eligible for this.

There is generally a limit on the amount an insurer will pay for temporary accommodation. For example, your policy might say that the insurer will only pay for accommodation for up to 12 months.

You may also be able to argue for additional accommodation if you need it because your insurer has acted unfairly towards you. You should get legal advice immediately if you are in this situation.

I am experiencing financial hardship. Can I receive an up-front payment from my insurer?

If you're experiencing financial hardship, insurers must either fast-track your claim or pay you an advance amount to help ease your financial need (or both). Many insurance companies process these transactions on the same day. If you receive an up-front payment and your claim is approved, the up-front payment you receive will be deducted from the total amount you receive for the claim.

Can I start cleaning up my property?

Before you start cleaning up your property, you should make sure it's safe to do so and speak to your insurer about what you plan to do. You should take photos of the damage before and after you clean up in case you need to show what you did.

Entering your property again might be dangerous. Follow the advice from ACT Emergency Services. You can also read the Australian Red Cross' booklet *Preparing to return home following a bushfire evacuation* from www.redcross.org.au

How long should it take for the insurer to decide my claim?

Once you submit your claim, the insurer has 10 days

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to ask you for further information and to give you an estimate of how long it will take to make a decision about your claim.

There are maximum timeframes for an insurer to decide on your claim. They must make a decision:

- if there are **no** exceptional circumstances - within 4 months
- if there **are** exceptional circumstances-- within 12 months.

Once your insurer has all the information they need to make a decision, they must either accept or deny your claim within 10 business days.

If you think your insurer is unreasonably delaying your claim, you can make a complaint to your insurer's complaints department. If they don't make a decision about your complaint within 30 days, you can complain to the **Australian Financial Complaints Authority** online at www.afca.org.au/make-a-complaint or by calling **1800 931 678**.

I haven't received a response from my insurer. What should I do?

Your insurer has an obligation to contact you within 10 business days of you submitting your claim. Your insurer also has an obligation to tell you about the progress of your claim at least every 20 business days. If you have not been contacted within this period, you should contact your insurer to make sure they have received your claim. If you still don't hear from them, you may want to make a complaint to your insurer's complaints department.

My insurer has offered me a lump sum payment. What should I do?

When your home has been entirely destroyed or the cost of repairing it is too high, your insurance company may offer to rebuild your property or offer a lump sum payment. If you choose a lump sum payment, your insurer will give you money for you to use to rebuild your property yourself.

You should always consider your decision and make sure you understand it fully before signing any paperwork. Check your policy carefully and talk to your insurer about any of your concerns. You may want to get legal advice to help you make a decision.

I don't agree with my insurer's decision. What should I do?

If your claim has been rejected, make sure that you ask for the reasons for the rejection to be sent to you in writing. Once you have these reasons, review them to identify whether any additional information is required or if any errors have been made.

You can ask for an internal review of the decision by contacting your claims manager or your insurer's customer relations team and letting them know you would like to seek review of the decision. Your insurer must make a decision about your complaint within 30 days.

If you are not happy with the review, you can complain to the **Australian Financial Complaints Authority** on **1800 931 678**. You can complain to AFCA up to two years from the date the insurer made their final decision. AFCA's decision will be final, although you can choose to reject it and consider going to court if their decision is not satisfactory.

If you have concerns about high-risk weather season, how to legally prepare, or what your rights and obligations are, please call the **free Legal Aid Helpline** on **1300 654 314**.

You can also contact the **Insurance Law Service** at the **Financial Rights Legal Centre** on **1300 663 464** for legal advice.

This information has been updated as of November 2024.