

Home or Contents Insurance Claims

This fact sheet is for information only. You should get legal advice about your personal situation.

Main ideas

- Different insurance policies provide different benefits. Understand your policy.
- Claiming on your policy may impact your ability to get, and the cost of, future insurance policies.
- It's your choice whether or not you claim – think it through.

In this fact sheet:

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Understand your policy

The details of your insurance policy are explained in the Product Disclosure Document (PDS) and the Policy Schedule. Your insurer should have given these to you when you bought the policy.

In general, a Home insurance policy covers the building; a Contents insurance policy covers the things inside the building. These are often combined into a Home/Contents policy. If you are renting your home, you likely only need a Contents policy (sometimes called renter's

insurance, or renter's contents insurance).

There are two types of home building insurance policies: **Sum Insured** and **Total Replacement**.

In a **Sum Insured policy**, the insurer will pay up to the amount you have nominated to repair or replace your home if it is damaged or destroyed. Be sure you are not underinsured. Underinsurance is when the amount you are insured for is not enough to cover the costs of rebuilding your home or replacing lost contents.

The cost of rebuilding is different to what you paid for your home and different to the valuation in your rates notice. Many insurers have calculators on their websites to help you estimate rebuilding costs; the most accurate calculators ask about 20 detailed questions about your home. Keep in mind that in major events like flood and bushfire, building costs may increase because of a shortage of tradespeople to do the work. There may also be more building regulations introduced over time to protect people or property from bushfire or other risks. Some policies may offer a safety net to cover these extra costs, usually a set percentage between 10-30% extra cover.

In a **Total Replacement policy**, the insurer will cover the cost to repair or rebuild your home if it is damaged or destroyed. They will usually rebuild to a similar standard and quality. Be sure to understand the limitations and exclusions explained in your PDS.

In either type of policy, there will be conditions and exclusions to the policy. Check what you are covered for. For example:

- If you live in an area that may flood, check your policy includes damage caused by flood. If you don't want flood cover, check you are still covered for stormwater or rainwater runoff.
- If you live in a fire prone area, check your policy includes damage caused by bushfires.
- If you live in an area with a high crime rate, check you will be covered for burglary or theft, and whether any special conditions or amount limits apply. Consider whether you want to consider adding on increased cover for specific items (for example, electronics or jewellery that might otherwise be limited to a specific amount).

Make sure you are happy with the level of cover when you first take out the policy. Make sure you review your cover level each year when it renews, and check if the insurer has made any changes to the PDS or your policy schedule. Your contract is a yearly policy, so the insurer can offer different terms than what you had last year. It is up to you to accept the changes, or shop around for a different policy.

Once you need to claim on your policy, it is generally too late to change your insured amount, or the events you are covered for. If a major event (like bushfire or flood) has already started or been forecast, some insurers may stop giving out new cover or increasing cover, or may apply a waiting period for affected regions.

Decide whether or not to claim on your policy

Consider whether you should claim on your insurance. Making a claim on your insurance can affect:

- your no claim bonus.
- the cost of future premiums. It may not matter whether you were ‘at fault’ for any claims, each insurer can choose how they calculate their premiums.
- your ability to get insurance later. Too many claims may mean your insurer thinks you’re too risky to keep as a customer. Some insurers are lower-risk than others, but most insurers will ask if another insurer has refused to offer you insurance. Insurers do not have to ‘warn’ you that your claim will mean they won’t cover you anymore.

When you claim on your insurance you will have to pay an ‘excess’ (the amount of money you agree to pay if there is a claim – see your policy schedule).

If the cost of repairing the damage is less than or close to the excess, consider paying for repairs yourself and not claiming on your insurance.

Claiming on a home or contents insurance policy

Talk with your insurer about emergency repairs

If possible, talk to your insurer before touching or moving anything in your home after an insurance event (such as a fire, storm or theft). If there has been criminal activity (such as a break and enter) also contact the police.

If your home may be further damaged by the weather, or if the home can’t be secured (for example, locks, windows or doors have been broken), and your insurer can’t or won’t do a ‘make-safe’ for you, you can do what is necessary to prevent further damage or loss – **but no more**. Take lots of photos and videos beforehand so you have a record of the damage.

You have to act reasonably to minimise more loss from happening, but your insurer may want to examine the damage before deciding your claim, and they will also want to approve the repairer or the cost of repairs. You may have problems with the claim if the insurer is unsure about what was damaged, or how – so always talk to your insurer first if possible.

Sometimes after major events like bushfires or floods, your insurer or the Insurance Council

of Australia, may publish information about what you can do. For example, they may encourage you to throw out waterlogged and unrepairable carpets (after taking photos), or items that pose a health risk.

Get legal advice if you're not sure what to do.

Complete a claim form

You can usually make a claim over the phone, or by using the insurer's online form, or by completing a paper form (you may need to phone the insurer and ask for a paper form). Using an online or paper form gives you time to think about what happened so you can describe it clearly.

If you choose to claim over the phone, work out what you are going to say before you ring. It is important to keep your descriptions simple and accurate. Do not ring the insurer if you are upset or still in shock. Wait until you are calm and can clearly describe what happened. Your conversation may be recorded.

If the insurer tells you over the phone that you cannot claim or your claim will be rejected, this may not be right. **Get legal advice.**

Pay your excess

The excess is your contribution to an insurance claim. It is defined in your policy schedule.

Do not drop your claim because you can't pay the excess. The insurer cannot refuse your claim just because you cannot pay the excess up front. You can ask to pay off your excess over time, or you can ask the insurer to deduct your excess from any money they pay you.

[See our sample letter: I can't pay my excess.](#)

Prove your loss

How much evidence you need to prove your loss depends on the nature and the value of the claim.

For general contents claims, you may need evidence to show you owned the item you are claiming for. Evidence could include:

- receipts
- credit card/bank statements showing the purchase
- warranties
- photos or videos that show the item

- declarations from people who had seen the items.

For a total loss contents claim (where the insurer must cover the full sum insured), the insurer should not ask for proof of ownership or ask for a list of lost or damaged property if that proof was lost in the insured event, and your ownership of the item is clear. Get legal advice if you think the insurer is unnecessarily making you draw up lists of items.

For a building claim, you might need expert reports about the cause and extent of the damage, and the best way to fix it. You will usually only need these if you don't agree with your insurer's decision about the claim.

Ask for your claim to be fast tracked if you have an urgent need

If you show your insurer that you are in urgent financial need because of the claim event (for example, fire or flood), they can fast-track the claims process.

The insurer can also pay you an advance amount within 5 business days. But the insurer may need to check first that you are entitled to benefits (sometimes they may need to check whether exclusions apply).

Be careful about how you spend the advance payment, especially if there might be some parts of the claim not covered. Will there be enough money left later to finish essential repairs or replace essential items?

If your claim was finalised within 1 month after a catastrophe, you have another 12 months from when your claim ended to ask for a review – even if you already signed a settlement or release. Catastrophes are high claims events like flood or bushfire, and you will see it announced by the Insurance Council of Australia (ICA) in the media. [The ICA website has further details about help after disasters.](#)

Insurance claim outcomes

Within 10 business days of receiving the claim, your insurer must either:

- decide to accept or deny your claim, or
- tell you they need further information or an assessment to decide your claim. They must also tell you:
 - what information they need
 - if a loss assessor will be appointed
 - an estimate of when they will make a decision.

If the insurer has not decided the claim and is not telling you what further information is needed or why there is a delay, [read our fact sheet about Insurance Claim Delay.](#)

[Also read our fact sheet: Home or Contents Insurance Claim Refused.](#)

Working with insurance assessors

The insurer will usually send an assessor or an adjuster to examine your claim. They will see if they can work out the cause of the damage, and what can be done. Sometimes they will need to get other experts in to look as well.

[If you are asked for an interview or being investigated – read our fact sheet about Insurance Investigations.](#)

Do not let an assessor intimidate you into dropping your claim if you think you should be paid.

If you're not being treated fairly by the assessor, get legal advice.

How to complain

[Contact the insurance company, you can find their complaints details through the Australian Financial Complaints Authority \(AFCA\).](#)
[Use our sample letter to Insurer Raising a Dispute.](#)

[If that doesn't work or you don't get a response in 30 days, lodge a dispute with AFCA.](#)
[Read our fact sheet about Financial Complaints to AFCA.](#)

Need more help?

Call the Insurance Law Service on 1300 663 464 for free and independent legal advice.

[For a list of other resources, visit our Useful Links page.](#)

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