

Part Payment of Insurance Claim

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

Main ideas

- Insurers may pay only part of your claim if they believe some of your loss is not covered by your policy
- Ask the insurer to explain the reasons for their decision.
- Complain to the insurer. If unsuccessful, complain to AFCA.

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Tell the insurer you are unhappy with a part payment

If the insurer agrees to pay some, but not all of your claim, let them know you are unhappy with this.

Do not agree or sign any documents that say the payment offered is in 'full and final settlement' of the claim. If you do, you usually will not be able to raise a dispute later.

There is an exception if your claim is related to a natural disaster that has been declared a catastrophe, such as a flood or bushfire. If the insurer finalised your claim within one month of the event but you believe the assessment was not complete or accurate, you can ask for a review. You can do this up to 12 months after the claim was finalised – even if you have signed settlement or release papers.

Your insurer may agree to pay you a part payment first, but let you argue about other parts of the claim. Ask the insurer puts this in writing.

Make sure it is clear what the settlement payment is for, and what issues or items are still being argued over.

Understand the insurer's decision

If your insurer pays less than you expected for your claim, it is likely because they have assessed the damage differently to you. Ask the insurer for:

- A copy of your insurance contract – the Product Disclosure Document and your Certificate of Insurance.
- The reasons for the insurer's decision – in writing.
- A copy of any expert reports, quotes, or other evidence the insurer is relying on for their decision.

Read the insurance contract carefully. [Read our fact sheet about Understanding your insurance policy.](#)

Make sure the event and the damage are covered by the policy, and check any limits the policy places on claims. Check if any exclusions apply. **Get legal advice** if there are parts of the contract you do not understand, or you think are unfair.

Read the reports and evidence. Look for any inconsistencies and any points of view you disagree with. Check the people who have provided an opinion have the right qualifications to assess the damage and what is required to repair it.

Read the insurer's reasons. We have more information on common reasons insurers reject claims in our fact sheets about home or contents insurance claims refused and car insurance claims refused.

Decide if you agree with the insurer's reasons and evidence.

Get legal advice about the insurer's reasons if you're not sure what to do or if you think the insurer's decision is unfair.

Complain to the insurer

If you think the insurer is wrong, get evidence to support your point of view.

If the dispute is about what caused the damage, sometimes the insurer may agree to send another assessor or expert. You may need to hire your own experts to support your opinion. You will need to pay for these reports, and you may not get your money back for this expense.

Ask the insurer to review their decision by complaining to their internal dispute resolution

section. Explain why you think they are wrong in their decision, and give them a copy of your evidence. [You can find the insurer's complaint section contact details on the AFCA website.](#)

Complain to AFCA

If you do not agree with the response from the insurer, you can complain to the Australian Financial Complaints Authority. Complaining to AFCA is free, but there are time limits. [You can complain to AFCA online.](#)

For some issues, such as the cause of damage, AFCA can depend heavily on the expert evidence available. AFCA will weigh your evidence and reports with the insurer's expert evidence.

If you have paid for expert evidence, include this in your complaint and ask for reimbursement, but there is no guarantee you will get your money back. If there is other evidence that you cannot afford to pay for, tell AFCA about this also.

AFCA will consider your complaint independently. If AFCA decides the insurer should pay (and you agree), the insurer must pay.

The AFCA process may take time. If you are concerned about further damage happening to the insured property, or fees that may be adding up over time (for example, while your car sits in storage waiting for repairs), **get legal advice.**

If you don't agree with AFCA's decision, you can take the matter to court if you're within your time limits for court action. Get legal advice from a private solicitor if you are thinking about going to court. It can be risky and stressful, and you may end up paying the insurer's legal costs if you lose or something else goes wrong.

Need more help?

The following fact sheets will provide more information:

- [Insurance complaints to AFCA](#)
- [Home or Contents Insurance Claim Refused](#)
- [Car Insurance Claim Refused](#)

[Visit our Useful Links page for a list of other resources.](#)

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