



# Financial Rights

LEGAL CENTRE

FACT SHEET



Financial Rights Legal Centre  
Inc. ABN 40 506 635 273

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## STORM INSURANCE

This fact sheet is for information only. It is recommended that you get legal advice about your situation.

### WHAT IS A “STORM”?

Most insurance policies will cover you for damage as a result of “storm”, “rainwater” and “run-off”. The exact definition of each of these words will depend on the wording of your policy, but generally:

- **Storm:** a storm, cyclone or severe atmospheric disturbance which can be accompanied by strong winds, rain, lightening, hail, snow or dust
- **Rainwater:** water falling from the skies that runs off over the surface of the land (and many include overflowing water from stormwater drains)
- **Run off:** rainwater that has collected or flowed across from normally dry ground or overflowed from pools or spas.

If it is determined that your property was damaged by floodwater, you should check your policy to see if you are covered. For further information in relation to flood damage, please see [Factsheet: Flood Insurance Guide](#) (available on our [insurancelaw.org.au](http://insurancelaw.org.au) website)

### MY HOME WAS DAMAGED BY RAINWATER AND FLOODWATER

If the insurance company determine that your home was damaged by both rainwater and floodwater, sometimes they will reject the claim. If this has happened to you, you should get legal advice as there may be arguments the insurance company has failed to consider.

### STORM SURGE AND/OR MOVEMENTS CAUSED BY THE SEA

If you live in a coastal area, you may not be covered for damage caused by storm surge (usually defined as ‘a rush of water onshore caused by strong winds pushing on the ocean’s surface) and/or movements caused by the sea (usually with the exception of tsunamis).

You should check your insurance policy if your property is damaged by storm surge, as some claims may be approved if it can be shown that the damage caused by the storm surge occurred at the same time as damage caused by a storm.

[www.financialrights.org.au](http://www.financialrights.org.au)



## WHAT AM I COVERED FOR?

Your policy (your insurance certificate and your Product Disclosure Statement) is your contract with the insurance company and together they will outline the circumstances in which they will pay you out. The insurance company cannot go beyond the words in the policy. You should look carefully at your policy. For further assistance in how to do so please refer to [Factsheet: How to Use Your PDS](#) (available on our [insurancelaw.org.au](http://insurancelaw.org.au) website)

Some of the things you should check for the following:

- Are you insured for the specific event which occurred?
- What repairs, if any, are excluded under storm damage?
- What are the “additional features” of your policy?
- Are you covered for temporary accommodation?
- Are you able to undertake any emergency repairs?

## DEALING WITH ASSESSOR/SERVICE PROVIDERS

Sometimes it can be difficult to deal with assessors, experts or other service providers (i.e. builders) appointed by the insurance company. Whilst they may not work directly for the insurance company, they still do have standards to uphold if they were arranged by the insurer. If you have concerns about the conduct of an assessor, make a note of it and get legal advice.

If there is an issue about the cause of the damage (i.e. whether it was caused by rainwater or flood water) or the extent of damage (i.e. whether any of it was pre existing) the insurance company may employ experts (such as a hydrologist or engineer) to prepare a report. You are entitled to documents which the insurance company rely on to assess your claim. The findings of the reports are not conclusive and are open to be challenged by your own evidence.

## CHALLENGING DECISIONS MADE BY THE INSURANCE COMPANY

It is important to collect detailed evidence about the damage. You should try to gather evidence such as:

1. Eyewitness accounts about the time any water entered the house, the level it rose, where it came from, how it first entered the house (for example, through toilets and showers or over land), and whether the water increased in stages or at a steady and uniform rate;
2. Reports from independent builders and/or assessors outlining the extent and if necessary, the cost of damage;
3. Photos, videos and other records of the property, pre and post, the storm.



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4. You may be required to obtain expert reports to address specific issues i.e. hydrologist reports to determine the movement of water

### WHAT TO DO IF MY CLAIM IS REJECTED?

You should ask for a written copy of why your claim was rejected. You may also lodge a dispute with the Internal Dispute Resolution (IDR) department of your insurance company. If you cannot resolve your dispute with the insurance company, you may lodge a dispute with the Financial Ombudsman Service Australia (FOS) at [www.fos.org.au](http://www.fos.org.au) or call 1800 FOS AUS (1800 367 287).

FOS is a free, independent dispute resolution body which mediate your dispute, and if necessary make a binding decision on the insurance company.

### NEED SOME MORE HELP?

See [Fact Sheet: Getting Help](#) for a list of additional resources.

You can call to get legal advice about your insurance problem on [1300 663 464](tel:1300663464) or you can email us your insurance law question through our website: [www.insurancelaw.org.au](http://www.insurancelaw.org.au)

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