

Monday November 2, 2020

Disaster chasers preying on hailstorm victims

Insurers are urging householders in south-east Queensland to identify and report disaster chasers to government authorities or police.

Within hours of Saturday's hailstorm, disaster chasers had started door-knocking damaged homes, seeking to exploit vulnerable householders.

Insurance Council of Australia CEO Andrew Hall said: "Disaster chasers emerge soon after a natural disaster and target householders who have been affected. They leave many families, elderly and disabled Australians much worse off, with large bills and homes that remain badly damaged.

"Insurers have received reports that disaster chasers are already active in the areas worst-affected by the recent hailstorms in south-east Queensland."

Many disaster chasers offer urgent inspections or repairs for cash but leave the work either poorly done or not completed. They may not have a building licence, trade qualifications, professional indemnity insurance or an ABN. Some have been known to use standover tactics to demand money. They may falsely claim they have been sent by an insurer.

Some disaster chasers operate as small businesses, such as roofers. They pressure the householder to sign a contract on the spot and may promise that an insurance company will pay for all work. However, insurers will usually not pay for unnecessary or cosmetic repairs and will only pay for approved work that is covered by the policy. This often leaves the customer with an inflated bill that they are forced to pay, or a large fee or commission.

"Disaster chasers are a menace and are becoming bolder," Mr Hall said.

"Identifying disaster chasers and reporting them to the relevant authorities will help bring them to account. And if they threaten, harass or intimidate anyone, police should be notified immediately."

Catastrophe update

Insurers have received a high volume of claims in the past 24 hours. More than 8500 claims have been lodged, with insurance losses estimated above \$110 million.

About 40 per cent of claims are for damage to homes (including roofs, awnings, skylights, solar panels, windows and shutters) and contents; 60 per cent of claims are for damage to cars, vans and trucks.

The Insurance Council's Catastrophe hotline is now operating to provide guidance to affected customers:
1800 734 621

Storm recovery tips:
<https://bit.ly/3kMHZU8>

-MORE-

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Tips for identifying and dealing with a disaster chaser:

- An insurer will not send a tradesperson or builder to your home without notifying you and providing you with details
- Speak to your insurer before agreeing to any repairs or rebuilding work to make sure your insurer will cover it
- A tradesperson or builder who is working for your insurer will not ask you for money
- If in doubt, ask for identification such as a builder's licence or driver's licence, and ring your insurer to check
- If you sign a contract with a disaster chaser, you have a statutory 10-day cooling-off period. Your insurer can help you end the relationship with the disaster chaser

To report an unlicensed builder or tradesperson, contact the Queensland Building and Construction Commission: 13 93 33

To report a doorknocker or scammer or for advice on statutory cooling-off period contact the Queensland Office of Fair Trading: 13 74 68

For more information on disaster chasers: <https://bit.ly/2SVLyeQ>

For storm recovery tips visit www.understandinsurance.com.au/types-of-disasters/storms

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ABOUT THE INSURANCE COUNCIL OF AUSTRALIA:

The Insurance Council of Australia (ICA) is the representative body of the general insurance industry in Australia. ICA members represent about 95 per cent of total premium income written by private sector general insurers. Insurance Council members, both insurers and reinsurers, are a significant part of the financial services system.

Insurance Council members provide insurance products ranging from those usually purchased by individuals (such as home and contents insurance, travel insurance, motor vehicle insurance) to those purchased by small businesses and larger organisations (such as product and public liability insurance, professional indemnity insurance, commercial property, and directors and officers insurance).

June 2020 Australian Prudential Regulation Authority statistics show that the general insurance industry generates gross written premium of \$51.4 billion a year and has total assets of \$135.4 billion. The industry employs about 60,000 people and on average pays out about \$171.1 million in claims each working day.

Over the 12 months to the end of June 2020 the industry's net profit after tax (NPAT) was \$1.0 billion – a 70.5 per cent decrease from the prior year's NPAT of \$3.5 billion. The industry's underwriting result was \$1.4 billion, falling by 39 per cent from \$2.3 billion in the prior year. <http://www.insurancecouncil.com.au/about-us>