



News release

Insurance Council
of Australia

Monday, 1 November 2021

Insurance Catastrophe extended to include Victoria & Tasmania

The Insurance Council of Australia (ICA) has today extended the Insurance Catastrophe declared for South Australia last Friday to include those areas of Victoria and Tasmania affected by the same storm cell late last week.

The ICA's declaration of an Insurance Catastrophe serves to escalate and prioritise the insurance industry's response for affected policyholders.

Insurers have received almost 24,000 claims from South Australian policyholders however this number is expected to rise over coming days. Approximately two thirds of claims received so far are for motor vehicle damage.

Victorian policyholders have lodged almost 12,000 claims over the past three days, with most claims for home property damage including from fallen trees.

Around 100 claims have been received from policyholders in Tasmania.

Insurers are advising that given the timing of last week's storms it is likely many impacted properties will not be repaired in time for Christmas.

Apart from the time of year, repairs have also been impacted by factors including a shortage of tradespeople, a shortage of goods, and COVID border restrictions impacting the movement of assessors and tradespeople around the country.

The ICA is warning that the destruction left by the storms in South Australia, Victoria and Tasmania may lead to 'disaster chasers' moving into affected areas in coming days and weeks with an eye to take of advantage of the owners of damaged homes.

Disaster chasers may offer tree and debris removal for up-front cash payment but can leave without doing the work or the work has been poor or is incomplete.

Disaster chasers may offer to undertake home inspections or repairs for cash and may not have a building licence, trade qualifications, professional indemnity insurance or an ABN. In the past some have used intimidation tactics to demand money.

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 the work.
- If in doubt, ask for identification such as a builder's or driver's licence, and ring your insurer to check.
- If you sign a contract with a disaster chaser, you have a 10-day cooling-off period. Your insurer can help you end the relationship with the disaster chaser.

Quote attributable to Andrew Hall, CEO, Insurance Council of Australia:

Thousands of claims have now been lodged by South Australian, Victorian, and Tasmanian policyholders.

Unfortunately, ongoing supply chain and labour issues in the building sector may lead to delays in repairs and rebuilds.

Insurers are currently utilising local assessors and tradespeople to support the claims process, however we anticipate the need to deploy up to 80 specialist assessment and recovery personnel from other states.

We are working with state governments to ensure these insurance disaster responders are able to safely travel across borders and support customers.

With border restrictions still in place the ICA is calling on state and federal governments to urgently agree to a nationally consistent approach to the movement of fully vaccinated insurance disaster responders across state borders.

Thousands of properties in Victoria have experienced power outages, and customers who have sustained extended power outages may be able to claim for food spoilage.