

Understanding the use of Expert Reports in Insurance Claims

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The general insurance industry (which covers home and contents, motor and small business insurance) has a standard (guidance document) that insurers now apply when using independent experts to help assess a claim.

Events that result in an insurance claim are often stressful, and making a claim can involve thinking about and

understanding unfamiliar concepts and processes. This Fact Sheet is designed to help you with your claim by outlining what you should expect from your insurer if they use an Expert Report.

The Expert Report Best Practice Standard can be found at insurancecouncil.com.au/ExpertReports.

What is an Expert Report?

Not all insurance claims are straightforward. Sometimes insurers require expert advice to help them assess the cause of damage or the extent of repairs.

An Expert Report is a document that outlines the specific cause of damage and/or how that damage could be repaired. An Expert Report is written by someone with specialised knowledge based on training, study or experience. These experts can include hydrologists (someone who studies the movement of water), engineers (someone who understands how structures or machines work), builders, and specialist tradespeople.

Expert Reports are typically produced following on-site inspections where the expert visits a property to undertake their assessment. Expert Reports may also make use of other information or evidence, such as rainfall data or aerial photography.

Expert Reports are insurer-initiated documents that are provided at no cost to you.

When are Expert Reports commissioned?

Expert Reports are commissioned when an insurer requires additional information, verified by an expert, to determine the cause and possible solutions for property damage. Some common situations where Expert Reports are used include to determine:

- The source of water that has caused damage, particularly in cases where you may not be covered for flood damage but are covered for stormwater damage
- If damage was pre-existing, for example, roof tiles that have been cracked for some time
- If damage was made worse by a lack of maintenance
- If a building is safe
- The appropriate construction of a complex rebuild or repair
- How to safely remove mould or asbestos



What is hydrology?

Hydrologists are used by insurers in cases where they need to determine the primary cause of how a home or property came to be flooded or damaged by water. Their report will help in the assessment of the claim.

How are Expert Reports used?

The Expert Report will be reviewed by a claims manager, assessor or loss adjuster, along with all the other information relating to the claim. This includes all evidence provided by you, including photos, footage, or eyewitness accounts of the event as it occurred, and any additional or relevant data.

The final Expert Report will be made available to you upon request, or when a claims decision is made that relies upon the Expert Report.

TIP: Check your policy wording and talk to your insurer if you're not sure what you're covered for.

What you can expect from an Expert Report

- ✔ **Plain and clear language:** Reports will be written in plain, understandable English which clearly explains any opinions and reasoning, aside from when technical language is unavoidable. Reports must be free from inconsistencies or contradictions.
- ✔ **Factual and neutral reporting:** Reports must be factual, neutral and accessible with supporting information clearly laid out. Only substantiated facts or assumptions can be included.
- ✔ **Timely delivery:** Experts and insurers must work to have the Report finalised in a timely manner, so the processing of the claim isn't unduly delayed.
- ✔ **Consideration of relevant matters:** Reports should not consider irrelevant information and must consider all relevant aspects of the event. For example, if the Report is focused on ground movement, it should include consideration of the soil profile, floor levels, and other matters that may directly impact ground movement.
- ✔ **Objectivity:** Reports must substantiate any opinions made in the Report and explain all references. Reports must be unbiased.
- ✔ **Qualification details:** Reports must include the expert's qualifications to undertake the Report.

Insurer's responsibilities when commissioning an Expert Report

- ✔ **Scope and transparency:** The insurer must inform you about the need for the Report, its scope and its use. You must also be given a chance to submit any evidence you think is useful.
- ✔ **Use qualified and objective experts:** Insurers must ensure that the expert drafting the Report has the relevant expertise and qualifications. For example, a qualified hydrologist should handle hydrology matters, rather than a builder.
- ✔ **In good time and in a good way:** The insurer must ensure the expert has the capacity to produce the Report in a timely manner. The expert must engage with you a respectful and constructive way.
- ✔ **Give a comprehensive briefing:** Insurers must brief experts on all relevant details, including photos, videos, or eyewitness accounts.
- ✔ **Consider any vulnerabilities:** Insurers must assess and take into consideration your individual circumstances and any vulnerabilities. This may include your age, mental or physical health, or disability status.
- ✔ **Ask specific questions:** The insurer should be clear on what they want the expert to provide an opinion on by including specific questions. Insurers must also ensure that experts remain objective and not provide any views on the application of policy terms.



Timely and effective handling of claims

At all times, insurers should ensure claims are handled efficiently and effectively, considering the time it may take to complete the Expert Report and any relevant customer vulnerabilities.

Consumer protection and support organisations

There are various organisations that exist to support you if you need help.



AFCA offers an impartial dispute resolution service to consumers who have a dispute with their insurer.



Legal Aid provides support for denied insurance claims, unclear approvals, financial struggles, and legal issues arising from floods, including family law matters.



FCA provides free, confidential advice and support to individuals facing financial difficulties, helping them manage their finances effectively.



The Australian State Small Business Commissioners and Federal Ombudsman advocate for small businesses, resolve disputes, and promote fair business practices.

For more information about the use of an Expert Report in the assessment of your claim, you may contact your insurer. If you're an insurance customer making a claim, you have the right to question your insurer about the claim process at any time. If you're not happy with the outcome or management of your claim, you can request an internal review. If an internal review is not resolved to your satisfaction, an external review can be undertaken by the Australian Financial Complaints Authority (AFCA), which can make rulings that are binding on insurers.