

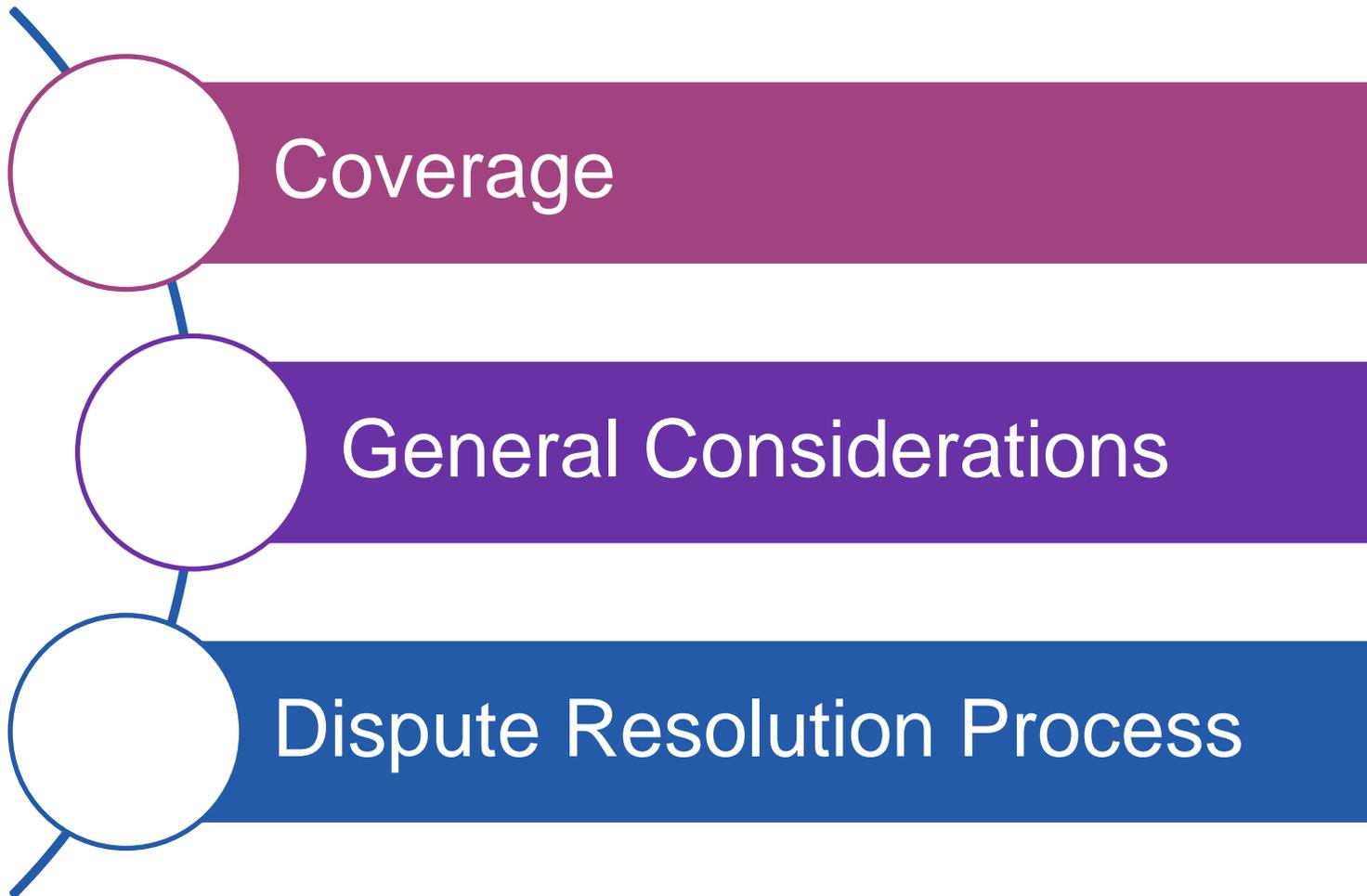


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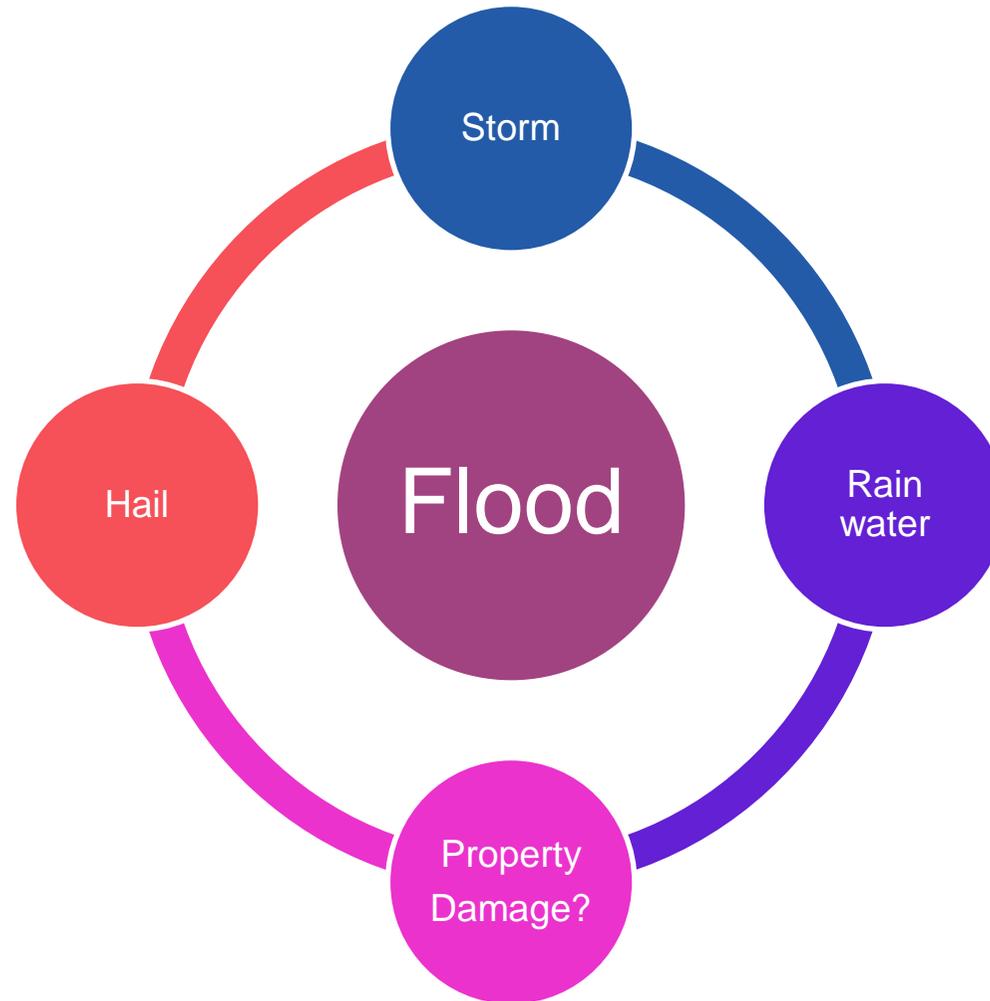
CLCQ Flood Webinar Series 2022

Floods and insurance – How to navigate insurance claims

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Coverage



Examples

Things we don't cover

Loss or damage to, or caused by, connected with or arising from, or liability caused by, connected with or arising from:

Bushfires, storms, storm surges, floods, tsunamis in the first 72 hours of cover

a bushfire, storm, storm surge, flood or tsunami in the first **72** hours of cover. But we will cover these events if this policy began on the same day:

- The Policy provides no cover to the extent it would be in breach of applicable embargo or sanctions law or regulation.
- This Policy automatically provides cover for Flood. However Your Policy does not provide any cover for Flood when Your Policy Schedule shows that Flood has been excluded.



Storm, cyclone, rainwater or run-off

Examples

What's covered?

Buildings and/or contents

✓ Loss or damage caused by:

- storm
- cyclone*
- rainwater
- run-off (provided run-off is not combined with flood waters).



*A **72-hour exclusion period** applies for loss or damage caused by cyclone – see page 11 for details.

✓ Loss or damage caused by or arising from:

- soil movement, including erosion
- landslide
- mudslide
- subsidence

if it is caused directly by and occurs within **72 hours** of a storm.

What's not covered?

✗ Loss or damage caused by:

- flood (this exclusion does not apply if you've selected optional cover for flood and it is shown on your policy schedule)
- run-off combined with flood waters (this exclusion does not apply if you've selected optional cover for flood and it is shown on your policy schedule)

- storm surge
- hydrostatic pressure
- rainwater, run-off, hail, wind or water that enters your buildings through an open door, window or other opening (excludes openings made by the storm or cyclone).

✗ Loss or damage to:

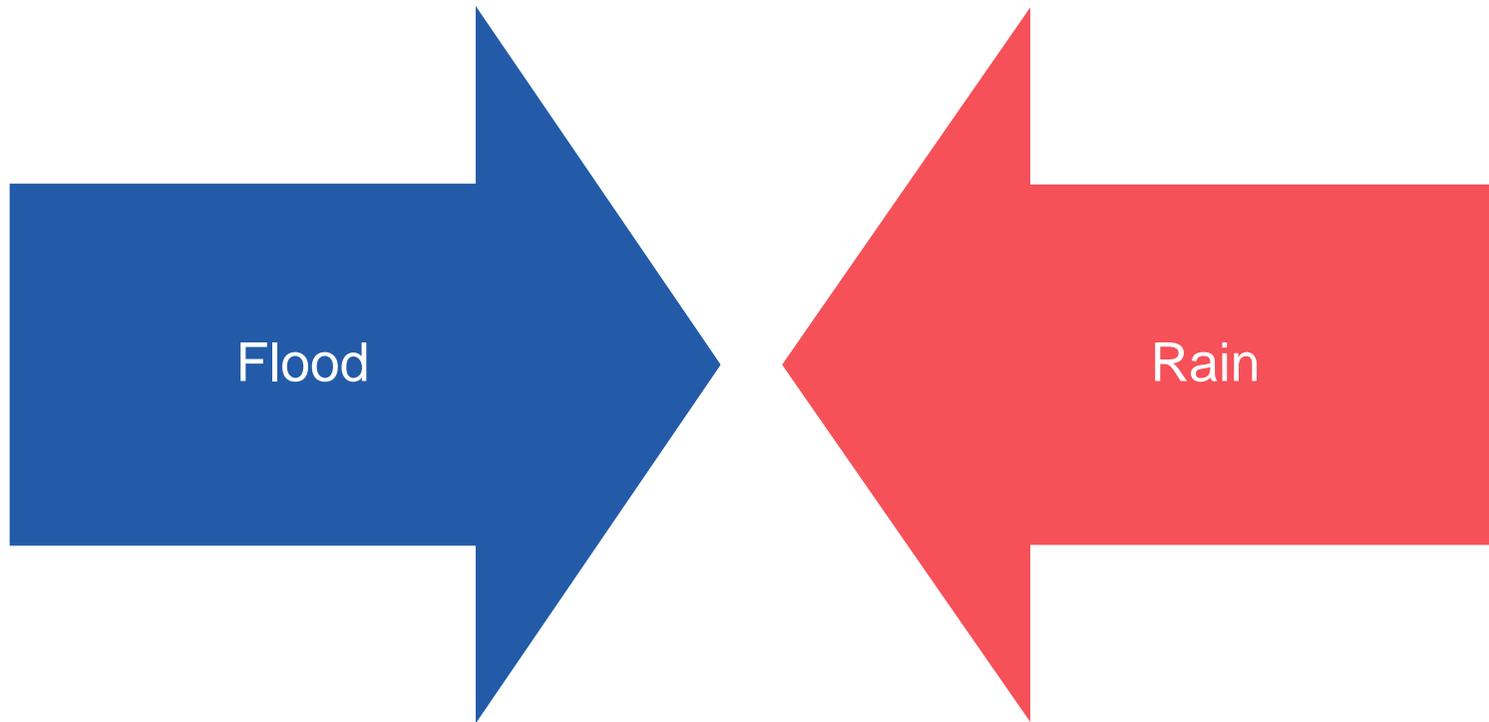
- trees, shrubs and plants planted in the ground
- retaining walls
- swimming pool and spa covers, their liners or solar domes
- the external paintwork or other exterior coatings of the buildings caused by rainwater.

Question

The client has a policy which specifically excludes damage from flood. What should you advise?

- Make a claim anyway?
- Not make a claim?

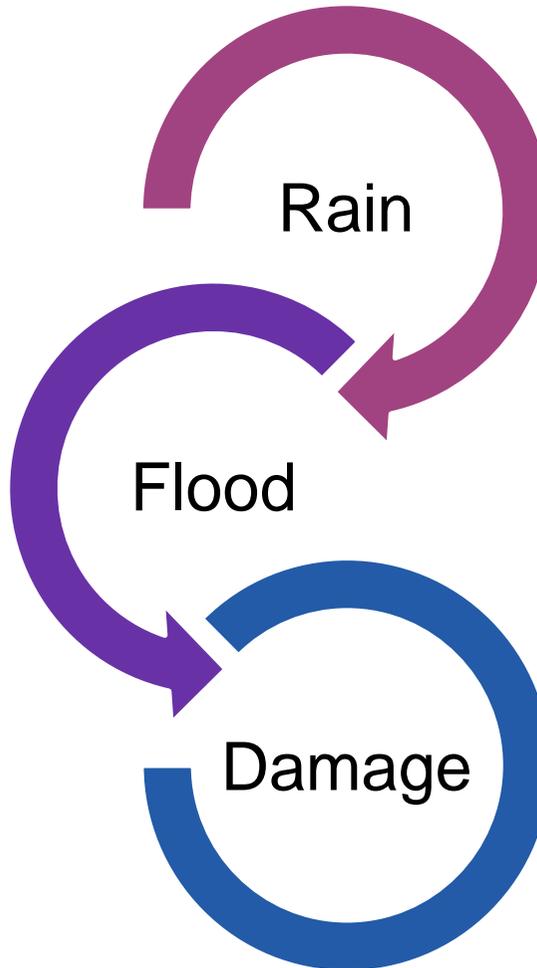
Claim is denied - response



Factual

Legal?

Proximate cause



Other exclusions

Question

Can insurers deny coverage on the basis of:

1. Subsidence AND/OR
2. Lack of maintenance?

Claim is accepted – what's next?

Cash
settlement

- Practical issues

Like for
like

- Restore property

Sum
insured

- Can only claim amount declared

Practical considerations

Time limit?

Obligation to wait with clean up?

Negotiate with claims assessor/insurer

IDR and ADR

IDR

- Scrutinise factual basis for denial
- Consider whether hydrologists report is in line with community recollection
- Is part of the claim not excluded?

ADR – Australian Financial Complaints Authority (AFCA)

- Within 2 years of IDR decision
- Make detailed claim setting out why insurer decision is wrong
- Monitor correspondence for AFCA's further directions
- No legal representation required
- Jurisdiction phase / substantive phase



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