

DISASTER CHASERS EXPLAINED

A Disaster Chaser typically appears in a disaster-impacted area shortly after an event occurs but can also appear months later. They may door-knock neighbourhoods, claiming to have identified damage at your property, or they may even claim they're there on behalf of your insurance company.



When managing claims, a strata scheme can only have one party representing its rights and interests. So, if you sign a contract with another party, such as a Disaster Chaser, BCB can't manage your claim.

How to identify a Disaster Chaser

Be wary of anyone who does the following.

- Claims to be able to identify damage to your property through a free inspection.
- Asks for money up front.
- Promises to do repairs in a short amount of time.
- Promises to do repairs far cheaper than any competitors.
- Fails to show any insurance or licenses.
- Pressures you to sign a contract, on the spot.
- Claims they can get your insurer to make a larger payout.
- States they will pay your insurance excess.

Take precautions if you do engage a Disaster Chaser

- Understand the contract before you sign and get professional advice if necessary.
- Understand the financial obligations of the contract.
- Look for any penalties if you want to terminate the contract.
- Confirm the contractors are licensed and insured.
- Understand the costs and payment process.
- Notify your insurance broker before you sign anything so they can explain the potential pitfalls.

Questions to ask before you sign a contract

- How does the Disaster Chaser get paid and who by?
- Is it a flat fee, hourly rate or percentage of the value of the claim?
- Do you have a choice of contractor?
- Is there a workmanship guarantee beyond the contractor's warranty?
- Are there penalties for using your own contractor?

Have all the documentation in place before work begins

If you go ahead, make sure you do the following.

- Obtain a written quote and agreed scope of works from the contractor, including the cost of labour and materials.
- View evidence they are a licensed contractor, including any public liability and professional indemnity insurance.
- Ask for proof of experience, such as references.
- Agree on an estimated timeframe for the project.

LISTEN TO THE WARNINGS

Using a Disaster Chaser negates all the benefits offered by your insurer. For example, repairs carried out by your insurer's choice of contractor are covered by the General Insurance Code of Practice (GICOP), which requires the insurer to provide a lifetime warranty.

If your strata scheme engages a third-party firm to manage its claim, please advise BCB immediately and provide a copy of the engagement contract so we can notify the insurer. As your broker, we'll help where possible, but we're unable to liaise with your insurer and other suppliers on your behalf once you sign with a third party.

So, if you find yourself facing incomplete works or poor workmanship after engaging a Disaster Chaser, you'll need to liaise directly with them or the contractor...if you can find them.

We suggest you always read any engagement contract carefully and get professional advice before signing anything.

If you have any questions about disaster chasers and managing claims, please contact your local BCB office.

The information provided is general. It does not constitute legal advice and should not be relied upon as legal advice. BCB recommends seeking advice from a qualified lawyer on any legal issues affecting you before acting on any legal matter. Whilst BCB endeavours to ensure the content of this information sheet is accurate, it does not represent or warrant its accuracy, adequacy or completeness and is not responsible for any loss suffered as a result of or in relation to the use of this information.

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QUESTIONS?

Please contact your nearest BCB office for any queries or advice.



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