

MAJOR INSURABLE EVENTS EXPLAINED

When a major insurable event occurs, it can be difficult to know what repairs can be carried out immediately and what's claimable. So, we've put together a summary of the major events and how best to react to ensure everyone is safe.



The immediate response

To make sure your claim is managed quickly, you should advise BCB about any major claimable damage or liability issues as soon as possible using the Major Event Report Form (MERF).

You can also help owners address some immediate issues to make properties liveable or at least safe.

Prevent further loss	Reconnect utility services	Carry out emergency insurable damage repairs	Carry out maintenance repairs
<ul style="list-style-type: none">• Electrical concerns• Emergency roof repairs• Glazing• Secure unsafe areas• Remove debris	<ul style="list-style-type: none">• Sewerage• Water• Electricity• Gas	Up to the limit in the policy wording	As soon as possible This doesn't require permission from the insurer

At this stage, all contractors must be paid by the strata scheme.

Insurers won't pay contractors unless they've asked the contractor to invoice them directly.

Minor damage

You don't need to tell the insurer about damage that's considered minor or non-urgent in the immediate aftermath of a major event. This might include shade sails or minor water damage that doesn't affect the ability of residents to remain in their property.

This ensures critical resources are focused on areas where help is needed most.

Major damage

You should report major damage to BCB as soon as possible, with the following information.

- Contact details of someone who can enable onsite access for a loss adjuster or panel builder.
- A description of the damage (number of units affected and type of damage), including photos where possible.
- Any action taken by the strata scheme.

The insurer will assess the severity of the incident and decide whether to ask a loss adjuster or builder to visit the site.

Glass breakage

Broken glass can pose an immediate danger on site, so it can be rectified or temporarily repaired to avoid the risk of injury. Such work should be carried out by professionals and the area cordoned off.

O'Brien Glass is a national supplier to the major insurers, but if they're unable to attend you can use other glaziers.

Hail/Storm

Hail can be a very destructive force, causing significant damage to roofs, skylights, glass, guttering, downpipes and EPS mouldings, even leading to internal water damage and electrical issues where water enters a property. In severe cases, metal roofs can be punctured and tiles broken by large hailstones. Hail can also cause blockages in gutters and downpipes which can lead to a backflow of water from the blocked gutters into the ceiling space and consequently internal water damage.

The strata scheme has a Duty of Care to mitigate further loss, so even if there doesn't appear to be any immediate water ingress for example, it's still possible that plastic type structures on a roof may have been damaged and could allow water entry at a later date.

It's important to get these properly checked for damage after a major event so you should arrange for a contractor to provide a report on the condition of the entire roof. If there's damage caused by hail, flying debris or any other insurable cause, ask them to provide a quote and photographs because general maintenance works to a roof aren't covered by insurance and the contractors will need to specify exactly how the storm caused the damage.

You also need to "make safe" things such as electrical, glass breakage and remove any debris which may pose a danger in the short term.

Fences

Boundary fences are complex matters, so before lodging a claim you should first determine whether the boundary fence separates lots within the strata scheme or if it's with a neighbouring property.

- Fences separating lots within a strata scheme are considered common property and are covered under the strata scheme's building insurance.
- With two neighbouring properties, each neighbour is responsible for 50% of the repair costs for both maintenance and insurance purposes.
- If the boundary fence neighbours a Government/Council owned property (public schools, railway lines, National and Council parks, public property, public roadways, footpaths), insurers will settle 100% of the insurance claim.

Loss of rent/temporary accommodation

Loss of rent and temporary accommodation are Additional or Special Benefits where the damage renders a property unfit to live in. This could be due to a failure in supply services like gas, electricity, water or sewerage.

Unfortunately, cover doesn't extend to tenants, only to owners.

Removing debris and trees

Where debris has caused material damage to a building, removing it is generally covered by the policy. However, you should be aware that insurers may only provide cover after a major event for immediate and necessary clean-up where there may be liability issues or to prevent further loss.

The same applies to removing trees. If they have caused damage or pose a potential threat to the property they will likely be covered (except stump grinding). To support your claim, we recommend you always have photos of the tree in the fallen position prior to removal.

However, general clean-up of storm debris like leaves and garden litter isn't covered under normal circumstances.

When you submit invoices for the clean-up cost, make sure it includes an explanation about the circumstances of the incident and why cover should apply.

Flooding

Always a contentious issue, the Insurance Contracts Act 1984 defines flood as "The covering of normally dry land by water that has escaped or been released from the normal confines of: any lake, or any river, creek or other natural watercourse, whether or not altered or modified; or any reservoir, canal, or dam".

This doesn't include flooding caused by "action of the sea" unless it's officially declared a tsunami, as this is the result of an underwater earthquake. In some cases, Insurers use Hydrologists to determine whether damage was caused by a storm surge or action by the sea.

How BCB can help

- If we have pre-warning of an impending disaster, we'll send you a Major Event Report Form to quickly capture the information required to evaluate the damage.
- BCB will provide instructions on initial insurance requirements and what can be done following a disaster before lodging a claim.
- We'll ask insurers to provide a temporary increase to the pre-approved limits for immediate insurable damage repairs.
- If the damage doesn't require a loss adjuster, we'll let you know how to progress the claim and repairs.

If you have any questions about strata insurance and your level of cover, 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.

ADELAIDE

Phone 02 9024 3850
Email sa@bcb.com.au

BRISBANE

Phone 02 9024 3850
Email qld@bcb.com.au

DARWIN

Phone 0434 909 555
Email nt@bcb.com.au

GOLD COAST

Phone 07 5668 7800
Email qld@bcb.com.au

MELBOURNE

Phone 03 8609 2300
Email vic@bcb.com.au

PERTH

Phone 08 6245 5300
Email wa@bcb.com.au

SYDNEY

Phone 02 9024 3850
Email nsw@bcb.com.au

QUESTIONS?

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



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