

# Insurance

Anyone can talk to a lawyer for free at Tasmania Legal Aid.

To get free legal information call 1300 366 611, drop into our Hobart or Launceston office (no appointment necessary) or use the Legal Talk chat function on our website. We are open Monday to Friday, 9am to 5pm.

A lawyer can listen to your story and help identify the next steps you can take.

Insurance is a legal agreement which is designed to financially protect someone after something bad happens — such as a fire, theft, or car accident.

## What do I need to know about buying insurance?

When you buy an insurance policy you will be asked to fill out a proposal form. This asks for information about you and the items you wish to insure. Your chosen insurance company will assess this information and then decide whether or not they will insure you. They do not have to insure you. The information provided in the proposal form also decides how much you pay for your insurance. This is called the 'premium'.

## What do I need to tell my insurance company?

When you take out your policy and during the term of the policy, you must tell your insurance company anything that would be relevant to their decision to insure you. Your insurance company is insuring a risk, so the type of information that they need relates to the risk that you want to insure against. For example, if you want car insurance, you need to tell the insurance company things like your number of accidents, speeding convictions and drink driving convictions. If you do not provide all relevant information, your insurance company may refuse to pay any claims made by you.

## What is an excess?

When your chosen insurance company insures you, they will send you a copy of your policy. One of the things contained in the policy is the amount of money that you have to contribute to the repair or replacement of an item that you have insured. This is called your 'excess'. Your insurance company decides the amount of your excess. For example, if your claim is for car repairs of \$3,000 and your excess is \$300, the company will only pay you \$2,700. You must pay the balance.

## How do I make a claim?

You should notify your insurance company as soon as something happens which gives rise to a claim. This can be done by telephone. Your insurance company will then send a claim form to you. If the matter involves criminal actions (e.g. theft), you should notify the police as well as your insurance company. When you fill out the claim form make sure that you provide as much information as possible. Do not exaggerate your claim as this may lead to you being charged with fraud. If your claim is for theft or loss of items, you may need to prove ownership before the company will pay your claim. This can be done by providing receipts, cheque stubs, boxes in which items were bought, photos showing the item at your house, or statutory declarations from people who say that they have seen the items at your house.

## Who are loss assessors and adjustors?

Your insurance company may appoint a qualified loss assessor or adjustor to examine your claim. The assessor will examine your policy, interview you and any other relevant persons, examine any evidence (e.g. your damaged car or site of a break-in) and then recommend a course of action to your insurance company. You must cooperate with a loss assessor or adjustor.

# Home and contents insurance – what do I need to know?

Home insurance tends to come in 2 distinct types.

1. **Accidental loss and damage policies** cover you for accidental loss or damage, subject to a set of exclusions. You will be covered for everything except those things contained in the exclusion clauses.
2. **Specific defined events policies** cover you only in certain circumstances. The list of circumstances appears in the policy and generally includes fire, theft, deliberate damage, earthquake, bursting pipes, storm and impact damage and acts of terrorism. You can only make a claim if one of these things caused the damage.

**Contents policies** generally only cover items owned by you, any other person named in the policy, and members of your family living with you.

## Car insurance – what do I need to know?

There are 2 basic types of car insurance.

**Comprehensive insurance** covers you for loss or damage to your car and also damage to other people's property caused by your car.

**Third party property insurance** only covers damage to other people's property caused by your car. You can extend a third party property policy to cover damage caused to your car by fire or theft.

## How do I make a complaint?

If you are unhappy with the way your insurance company has managed a claim you should lodge a complaint, which will be dealt with through the insurance company's internal dispute resolution process. If this does not resolve your complaint, you may then refer the matter to the [Australian Financial Complaints Authority](#).

This is written for people who live in or who are affected by the laws of Tasmania, Australia. The law changes all the time – this information is not legal advice. If you have a legal problem, you should talk to a lawyer before making a decision about what to do.