

TIME FRAMES FOR CLAIM MANAGEMENT

Facts, Information & Advice for Strata Managers,
Unit Owners & Letting Agents



Time Frames for Management of Insurance Claims

The circumstances of the loss and the complexity of the claim will determine the longevity of a claim, however, time frames in respect to lodgement and management can be provided. Claims are also subject to the terms and conditions of the General Insurance Code of Practice (GICOP). The Code is written in plain English and sets out clear processes for making claims and complaints and the Insurance Council of Australia is responsible for making sure the content of the Code meets its objectives, a copy of the Code can be provided on request.

All claims involve a number of parties, some more than others, and time frames can be affected by their involvement and their ability to respond within reasonable and acceptable time frames. Some of these parties are not subject to the Code, however, it is expected that insurers will maintain vigilance over their outside service providers in order to meet reasonable time frames.

Body Corporate Brokers (BCB) subscribes to the Insurance Broking Code of Practice (IBCP) but our commitment to our clients is to exceed the expectations provided by the Code. The Code states:

When you have an insurance claim and we act on your behalf we will (unless we agree with you or tell you otherwise): assist you in making and progressing a claim (including but not limited to providing you with claim forms and claims advice), and will act in your best interests in doing so; on receiving an insurer's response to a claim, inform you as soon as reasonably practical of that response; and assist you and negotiate with insurers on your behalf in the event of a claim being disputed or rejected.

The following time frames are provided by BCB for claims lodged outside of CAT events:

ACTION	STANDARD TIME FRAME
BCB Claim evaluation & first action (lodgement or refer back to Insured)	48 hours from receipt
Lodgement of new claim to insurer (when sufficient information provided)	48 hours from receipt
Confirmation of receipt of the claim to the client and request for more information if required. Advise contact details for Claims Consultant	48 hours from receipt
Acknowledgement & instructions sought from insurer	72 hours from lodgement if not received earlier
Insurer's instructions to client	48 hours from receipt
Status update request to insurer - non-adjusted claims	10 business days or as required**
Status update to client - non-adjusted claims	10 business days or as required**
Status update request to insurer - adjusted or complex claims	20 business days or as required**
Status update to client - adjusted or complex claims	When received from insurer/adjuster
Notice to client of claim settlement advice	72 hours from receipt from insurer
Status request to insurer - public liability, office bearer's liability, legal defence expenses fidelity guarantee	3 months unless earlier development advised or action required
Status update to client - public liability, office bearer's liability, legal defence expenses, fidelity guarantee	3 months unless earlier development advised or action required
Response to claim enquiry (claim lodged)	72 hours
Response to general cover enquiries (no claim lodged)	5 business days

** As per the GICOP, however, review dates will be relative to the circumstances of each claim which may increase or decrease the specified time to better suit the claim itself.

Catastrophes

BCB will endeavour to maintain the tabled time frames during a Catastrophic Event, however, due to the volume of claims received by BCB and the insurers it will not be possible to maintain all time frames as listed. Our past management of Catastrophic Events has been efficient and we expect that lodgement of claims and notifications to the client of receipt of the claim and the appointed claims handler will be maintained.

Delays beyond the tabled time frames will be experienced in receiving responses from the insurers and other parties and is out of the control of BCB. Requests to the insurer for status updates will be dependent on the severity and the priority level assigned to each claim. Management of a Catastrophic Event is dependent on the individual circumstances of each property, its occupants, owner and location.

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The management of Catastrophic Events requires all parties to triage claims as they are lodged with the most severe claims taking priority. When evaluating the priority given to a claim BCB will provide a specialised claim form (Major Event Report Form – MERF) in order to determine several factors which include:

- The severity of the damage
- Failure of necessary services (water, electricity, gas, sewerage)
- Access to the property
- Inhabitability of the property

Once the claim has been assigned a priority level the claim is lodged to the insurer with appropriate instructions for that level in accordance with the Level of Urgency – Self Evaluation is as follows:

LEVEL OF URGENCY - SELF EVALUATION:

With "1" being minor damage & "5" being severe damage. Please select **one only** which best describes the damage situation of the Strata Plan.

Please Note: Your response will affect our actions, please consider others & whether you have correctly evaluated your level of urgency as resources may be limited:

1 Very Low to Low (minor): Poses no threat or danger and will not worsen if left unrepaired – Carry out any maintenance required then carry out the claimable repairs. Submit invoices, Major Event Report Form and photos to substantiate the damage at a later date.

2 Low to Medium: Poses no threat or danger but may worsen if left unrepaired – Carry out any maintenance required then carry out minor repairs. Submit invoices, Major Event Damage Report Form, and photos. Obtain quotes for the Medium damage repairs, submit with the claim and await instructions from the insurer.

3 Medium: May worsen if left unrepaired – obtain quotes, submit Major Event Report Form & photos and wait for instructions from the Insurer.

4 Medium to High: No failure of utility services but immediate attention & loss adjuster required – submit photos of the damage to substantiate the severity with Major Report Form and onsite contact details. Obtain quotes if possible but do not delay lodging the claim as the Insurer may either engage a panel builder or provide further instructions.

5 Severe: Immediate attention, loss adjuster required – severe damage, occupants displaced and/or failure of utility service(s) – submit photos of the damage to substantiate the severity where possible, details of number of units unfit for occupation, description of the damage and what utility services may have failed, with Major Event Report Form and onsite contact details.

Any other relevant information which may assist in evaluating the damage:

BCB encourages our clients to read the General Insurance Code of Practice to gain an understanding of the time frames in place for the insurers. This allowable response time may on occasion limit the time in which we can reply to your enquiries, however, both the insurers and BCB endeavour to respond to our clients well within these guidelines.

The information provided is general. It does not constitute legal advice and should not be relied upon as legal advice. Body Corporate Brokers recommends seeking advice from a qualified lawyer on any legal issues affecting you before acting on any legal matter. Whilst Body Corporate Brokers endeavour to ensure that 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 sheet.

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