

The General Insurance Code of Practice

Crawford & Company subscribes to the General Insurance Code of Practice ('The Code').

The Code ensures that the industry delivers claims services that are fair, transparent and consistent. The Code requires that we explain what a cash settlement means in the context of your insurance claim.

What are my claim settlement options?

Cash Settlement

This is where we provide you with a lump-sum payment in settlement of all or part of your claim.

Managed Repair

This is where we arrange a builder/s to conduct repairs that have been agreed with you (through a Scope of Work).

Replacement

This is where, with your agreement, we arrange replacement of your lost, stolen or damaged property using a supplier of our choice.

One, two or a combination of all three of these settlement methods may be used to settle your claim.

What does a cash settlement mean for you?

A cash settlement may be offered so that you can manage the repair or rectification works yourself. A cash settlement can be for part of the repair or for the entire amount of your claim.

If you accept a cash settlement, your insurer may not guarantee the quality and workmanship of the repairs. Should there be a fault with the repair work, you will need to seek rectification from your builder directly. In some circumstances, where significant repairs are required, accepting a cash settlement and proceeding to manage the repair or rectification

works yourself may mean that your insurer will not continue to insure your property or insure it under the same terms and conditions. Your insurer will notify you if this will be the case when discussing a cash settlement. This may change once you are able to evidence that the required work has been completed.

How do we decide that you will be offered a cash settlement?

There are many reasons why we may recommend that your Insurer offers you a cash settlement.

Some of these include:

- Where your building has pre-existing damage or maintenance issues that need to be repaired by you before insurable repairs can proceed,
- Where it would be unsafe to rebuild, or the local consent authority prohibits rebuilding,
- Where the damage is minor,
- Where the item(s) claimed are rare and/or very difficult to replace locally,
- Where the policy you have purchased gives your insurer the discretion to offer a Cash Settlement, rather than coordinate repairs on your behalf,
- Where you are under-insured i.e. the value of the works exceeds the amount of insurance that you purchased, or
- Where you, as the policyholder, do not wish to rebuild or repair the property.

The makeup of a proposed cash settlement

A cash settlement can be made up of amounts that represent different parts of your insurance claim. For example, your insurer may choose to replace some damaged or stolen items via preferred suppliers and pay you a cash settlement in lieu of replacement for the balance of goods. This can occur for several reasons, e.g. the balance of goods cannot readily be sourced by insurance suppliers or perhaps you have a preferred supplier of your own.

Your insurer may choose to repair damaged items and pay you a cash settlement amount for items that cannot be repaired.

Either way, your loss adjuster or insurer will explain how the amount of your cash settlement has been calculated including whether amounts have been deducted thereby reducing the settlement amount:

- Amounts will be separately stated that represent settlement for material damage to property and settlement for other aspects of cover under the policy such as for example, settlement of items specified like jewellery or amounts for removal of debris,
- Any amount paid to you as a gift rather than because a contractual obligation exists (often called an 'ex-gratia' payment),
- A policy excess in accordance with the terms and conditions of your cover,
- Your contribution for wear and tear, depreciation or existing damage as agreed,
- An amount representing the cost of maintenance included in the original Scope of Work that is not covered as part of the claim,
- An amount that represents a supplier's mark-up that is not deemed reasonable, especially if you intend to use an alternate supplier or complete the work yourself,
- Goods and Services Tax (GST) where you have an entitlement to an Input Tax Credit (ITC),

- Reimbursement for claimable amounts paid for by you that represent emergency repairs designed to minimise the extent of your loss or for the purchase of emergency items.

I've received my cash settlement and arranged my own repairs but now more damage has been discovered?

If further damage only becomes apparent after repairs have begun, you may ask us to reopen your claim, so that any additional damage can be assessed. Should this further damage be accepted as part of your claim, you may be paid an additional cash amount that represents this additional entitlement.

Your entitlement to independent advice

Acceptance of a cash settlement can have legal, financial and insurance implications (among others) for you. Before accepting our cash settlement offer, you should consider obtaining independent legal and/or financial advice.

Your right of review

If you are not satisfied with the amount of the cash settlement offered to you or any aspect of the management of your claim and you would like to have the matter reviewed, you can speak with your loss adjuster or escalate your concerns by emailing us at feedback@crawco.com.au. Your concerns will be dealt with in accordance with our complaints procedure which is governed by The Code. Details can be found here [Customer Support | Crawford & Company | Australia \(crawco.com.au\)](#). If, having taken these steps, you remain dissatisfied, your insurer offers a process for handling disputes. If the matter remains unresolved you can contact the Insurance Council's hotline independently on 1800734621 to escalate the matter.

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