

## NDIR Submission from Australian Red Cross — Cyclone Yasi Recovery

Good afternoon,

Red Cross have a number of workers across Cassowary Coast Region undertaking recovery work for Cyclone Yasi.

We are hearing many issues daily around insurance from people we are working with, who are directly impacted by the cyclone. Currently we have over 110 clients that we are working with and speak with hundreds of cyclone affected people weekly. It is fair to say that insurance is the number one issue raised with us in our work.

Our workers met today to summary some of the key issues people have raised with us. The issues are as follows:-

- Drive-by assessors (mixed reports) – no recourse for feedback after the assessment; assessments have been lost or duplicated
- Lack of reporting of hazards by assessors eg. Asbestos
- Time taken for assessments is too long – some still waiting for an assessors, let alone work commencing
- Because of delays in assessments, and approvals, additional damage is happening to buildings from ongoing weather – and people are very aware that we are now only 3 months out from the cyclone and wet season
- Offers of payouts lower than coverage both building and contents insurance; people being asked for itemised quotes for all contents
- Insurance companies are demanding the use of preferred contractors
- Insurance companies are saying the people must use preferred contractors despite lower quotes
- Concerns about southern builders not building to cyclone standards
- Cost of reinsurance for next year – much higher directly after the cyclone, even before people have put in claims
- A lot of people saying they won't re-insure for various reasons including premiums, and because people who were uninsured have received help first
- People are accusing insurance companies of delay tactics eg. Sending a fax through 15 times to same number before received
- People don't have energy to follow through with insurance companies, particularly older people or vulnerable people
- People with energy and drive and time are receiving their claims quicker
- ½ the roof will be covered or 5 floorboards – people can't afford to make up the difference and find these assessments bizarre

- Disagreement in scopes of work between assessors and home owners; and assessors and builders
- Lack of consistency between assessors (3-4 assessors all saying different things)
- Increased costs of materials since assessment done, and insurance approvals are not in line with new costs or have not included new costs
- Quotes expiring before the claim processed; therefore new quotes required and process is dragged out
- Accommodation during rebuilds not available locally, people are concerned about where they will live during their rebuilds
- People are living in substandard conditions as a result of delays of insurance claims being processed

These are issues that clients and the public in the Yasi affected area have raised with our workers. In addition, we believe that insurance companies need a much stronger presence on the ground to assist with claims, and that ongoing representation is needed on the Cassowary Coast by the Insurance Ombudsman or Insurance Council to address issues at the local level; and insurance companies need to provide clear, consistent and repeated messages about their processes.

Should you require further detail or information or referral to specific cases please contact me on the number below.

Regards,

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