

This document provides a general summary of insurance issues that may be faced by residents on Kangaroo Island who have been impacted by bushfires in early 2020.

Specific advice on individual insurance protection should be obtained from the insurance entities that assisted when the coverage was taken out.

For those who require assistance with general insurance questions can contact

- National Insurance Brokers Association – Need A Broker Hotline (1300531073)
- Insurance Council Disaster Hotline (1800734621)

These services are provided at no cost to those who are insured and the NIBA service will support insured people who don't currently use an insurance broker for insurance advice.

PROPERTY INSURANCE

Often called Property Damage Insurance or Industrial Special Risks Insurance, these policies cover damage to buildings, property, machinery & plant, contents and other assets (domestic and business). What specific assets are declared to the insurer and their "replacement value" will determine the level of reinstatement and/or claim payments that occur.

Removal of Debris is often covered under Property insurance policies and the amount payable could fall within the sum insured or a specific sub-limit may be specified.

Where significant damage has occurred to property "progress payments" are often made by insurers to assist with emergency repairs, protecting the property and assisting with other "out of pocket" expenses that arise. Ask your insurer about the availability of any progress payments.

If your domestic residence is damaged/destroyed then the property insurance policy may also pay for reasonable temporary relocation and accommodation costs.

The degree that businesses will receive "full insurance" or partial settlement will depend on many factors including the above factors

BUSINESS INTERRUPTION INSURANCE

Business Interruption Insurance (or *Loss of Profits Insurance*) aims to reimburse a business for their loss of profits following a property damage claim. Some key business interruption insurance considerations are:

Indemnity Period – This is the maximum period which the loss of profits claim will be supported for (assuming that the business' profits hasn't returned to the pre claim level prior to this time)

Increased Cost of Working - Business Interruption policies often include cover for the insured to spend additional amounts to reduce their lost revenue / profits. This may include additional marketing expenditure, engaging contractors to free up business owners to focus on retaining clients etc.

Prevention of Access – In circumstances where physical loss hasn't happened to the businesses assets but a government authority or regulator prevents access to the business, then the loss of profits can be reimbursed

Failure of Supply - In circumstances where physical loss hasn't happened to the businesses assets but a utility company stops supplying the business, then the loss of profits can be reimbursed.

It is important to be able to produce documented information to confirm the loss of profit and/or additional costs so all receipts, booking cancellation notices etc. should be safely retained.

STAFF & PEOPLE

If an employee suffers an injury while at work (physical or mental) then a workers compensation claim should be made to Return to Work SA or via their agent (EML/Gallagher Bassett)

If you are the sole proprietor or a partner of a business and are unable to conduct the business due to an injury or illness you are not entitled to worker compensation cover. If you have taken out personal accident, income protection or disability insurance then these covers may provide you with some cover for your personal loss of income.

Insurance protection can be very broad and the terms across many different policy types need to be designed and respond to your personal and specific business situations. It is important to always seek advice and guidance from organisations that hold a Financial Services License such as an accredited Insurance Broker.