

People urged to check their insurance cover this disaster season as living costs rise

As the bushfire and flood season approaches and living costs soar, Legal Aid NSW is urging homeowners to check their insurance policies.

The Australian Bureau of Statistics says home and car insurance costs have risen by 16 per cent in the past year, and that's prompted a warning from a free legal service for people affected by disasters.

Legal Aid NSW's Disaster Response Legal Service (DRLS) says many of its clients were under-insured or not covered for damage due to:

1. the rising cost of premiums and rebuilding a home;
2. insurance policy exclusions for example, flood cover and in some cases, elements of bushfire damage.

Quotes from Disaster Response Legal Service senior lawyer Liz Lehmann

"Price is a key factor when people choose insurance and that sometimes means they don't choose add-ons such as flood coverage or they may be taking out a lower level of cover.

"The rising cost of rebuilding a home also means some people do not realise they are significantly underinsured

"Reviewing your policy before a disaster strikes means you can make informed decisions about your coverage ahead of the bushfire and storm season.

"We urge people to check their policies. If you're unsure about what you're covered for and what this means for you, seek advice and call the DRLS on 1800 801 529.

"On the Legal Aid website we provide a free and easy [insurance check-up tool](#) and this can help people to prepare for the bushfire season or for floods."

Free legal help

The DRLS is a statewide specialist Legal Aid NSW service that has provided more than 13,000 services since the 2019/2020 Bushfires. It can help with legal issues including insurance claims, tenancy problems, accessing disaster grants and payments, financial hardship, family and domestic violence and workplace rights.

Case study: Kathleen

Mother-of-two Kathleen and her husband suffered significant damage to the family home and their possessions when floods and storms swept through the Central West in 2022.

When storms and floods ravaged the Central West region in November 2022 Kathleen and Scott Mann. With their two children, they had to flee for their own safety.

When Kathleen sought to claim for the damage, her insurer denied the claim, relying on a hydrology report stating the property was flooded by creek water. Her insurance policy did not cover flooding because Kathleen could not afford that extra cover.

Kathleen's DRLS lawyer lodged a dispute with the Australian Financial Complaints Authority (AFCA) and successfully argued that the damage was caused by stormwater runoff which her policy did cover. The lawyer also showed there were inconsistencies in the hydrologist report in late April 2024 AFCA made a determination in Kathleen's favour, resulting in being able to claim eligible benefits and restoration works under her policy.

For over 18 months, while the claim was being challenged, the family had been forced to live in a shed and camp on the property, with a makeshift bathroom and hose as a shower. When Kathleen was informed of the AFCA decision she cried and said "without Legal Aid's help I don't know where the family would be."

Liz Lehmann and Kathleen are available for interviews.

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