



GENERAL CLAIMS PROCEDURES

To complement the careful planning in establishing your Insurance Programme, it is obviously necessary that in the event of an incident which will or may give rise to a claim, a procedure must be adopted for the proper and expeditious conduct of the claim.

By carefully following this procedure, the impact on your business operations will be minimised.

There are number of steps which must be taken immediately:

1. Report the incident to us by telephone, facsimile or email, wherever practicable, within 24 hours of the incident.
 - A. Regardless of whether or not the claim has been reported or a loss assessor appointed, you must immediately do whatever is necessary to prevent further loss of life or property damage. For example:
 1. Call the fire brigade, ambulance, police or other appropriate emergency service.
 2. If during business hours, ensure the evacuation, if necessary, of staff and neighbours.
 3. If critical machinery fails, commence investigations to locate replacement plant or services.
 4. Have a security company install boarding over smashed windows and, if appropriate, employ an overnight security watchman.
 5. Remove property which is exposed to further loss or damage to a more secure place if possible.
 6. Providing no danger to life or limb is involved, ensure the safe removal and storage of vital business records.
 - B. Complete all claims documentation as soon as practicable (ensuring your ABN No. and Input Tax Credit entitlement are included) and forward to us with any supporting documents.
 - C. Whatever the circumstances of the incident, **DO NOT ADMIT LIABILITY EVEN IF YOU THINK YOU ARE AT FAULT.** Your Insurer is entitled to deny a claim or pay a reduced amount if statements made by you or your employees prejudice the Insurer's position.

It is impossible to give guidelines for procedures to follow in **every** claim, simply because of the nature of accidents –

- they cannot be predicted
- they do not follow set patterns

However, the following general procedures for various major classes of insurance can be relied upon to cover most circumstances. For any other claim involving other classes of insurance, contact us without delay.

INDUSTRIAL SPECIAL RISKS / COMMERCIAL PACKAGE (PROPERTY & BUSINESS INTERRUPTION) CLAIMS PROCEDURE

Mostly these claims will arise from losses involving such events as:

- (a) Fire
- (b) Storm
- (c) Flood
- (d) Explosion
- (e) Theft / Burglary
- (f) Malicious Damage
- (g) Breakage – Accidental Damage
- (h) Impact by Vehicles

If something happens to cause loss of or damage to your property:

- Take all necessary precautions to protect property from further loss or damage.
- Call the police or other emergency services as required. Any loss by theft or wilful or malicious damage should immediately be reported to the nearest police station and details of the attending police noted.
- If you suspect that the loss or damage may exceed the policy deductible, obtain all details you can –

7. Of the incident;

8. Of the amount of loss;

9. Of any witnesses.

- Contact us immediately for instruction on how to handle the claim.
- Complete Claim Form documentation (ensuring your ABN No. and Input Tax Credit entitlement are included) and all claims documentation as soon as possible after the occurrence whilst details of the incident is still fresh in the minds of all concerned.

PUBLIC AND PRODUCTS LIABILITY CLAIMS PROCEDURE

UNDER NO CIRCUMSTANCES MUST LIABILITY BE ADMITTED EITHER VERBALLY OR IN WRITING

Upon the happening of any incident likely to give rise to a claim, the following procedure should be implemented:

- All reasonable steps should be taken following an occurrence to protect the person or property from any further injury.
- Obtain all details you can –
 - 10.** Of the incident;
 - 11.** Of the Third Party;
 - 12.** Of the witnesses.
- In all cases, contact us immediately for advice on how to handle the matter.
- Do not give any interview or make any statement to a loss adjuster or other person investigating any accident of damage UNLESS such person is acting on behalf of your Insurer or your own organisation.
- No correspondence should be entered into with a third party except acknowledgment of receipt of the claim. The acknowledgment letter should read as follows:

“Without Prejudice”

**We acknowledge receipt of your correspondence concerning the incident
at**

.....

.....

This is receiving our attention.

- Forward all letters of demand, writs / summonses to us immediately you receive them.

MOTOR VEHICLE CLAIMS PROCEDURE

PROCEDURE FOR “OWN DAMAGE” CLAIMS

Where the damage to the vehicle is under \$2000, please obtain two quotations.

Where the cost of repairs exceeds \$2000, advise us of the quotation so that the vehicle may be assessed by your insurer.

Where the vehicle is undriveable, have it towed to a place of repair and leave the completed claim form with the vehicle. The assessor will collect the claim form when inspecting the vehicle and agreeing the cost of repairs with the repairer.

Where the vehicle is driveable, advise us or the insurer of the day when the vehicle will be available for assessment at the repairers' premises. Leave the quotation and claim form documentation (ensuring your ABN No. and Input Tax Credit entitlement are included) with the vehicle. It will assist your insurers to have twenty-four (24) hours notice of a request for assessment.

SETTLEMENT

Unless otherwise instructed, repair accounts will be settled directly with the repairer by your insurers. Settlement of claims in respect of vehicles which are deemed to be a total loss will be made with you and/or your financier, depending upon whether any amount is owing on the vehicle.

PROCEDURE FOR THIRD PARTY PROPERTY DAMAGE CLAIMS

Under no circumstances should any liability to third parties be admitted. Details of claims from third parties should be forwarded immediately to us.

If a Third Party is at fault and the claim is below your deductible or you do not wish to claim under your insurance, proceed as follows:

- Obtain a quotation for repairing your vehicle.
- Send a Letter of Demand and the repair quotation to the Third Party.
- Keep a copy of the quotation and the letter.
- If the Third Party pays the cost of repairs the matter is settled.
- If they ignore the letter of demand, you should send a second letter about seven (7) days after the first one.
- If they ignore the second letter, we advise referring the matter to your solicitor.

Sample letters of demand are provided in the following pages.

**MOTOR VEHICLE THIRD PARTY PROPERTY DAMAGE CLAIM
SAMPLE FIRST LETTER OF DEMAND**

“WITHOUT PREJUDICE”

<insert date>

<Insert Other Party's Name>
<Insert Address>

Dear <insert Name>

We are the owners of (insert type of vehicle and registration number) which was damaged in a collision with a vehicle driven by you (insert type of vehicle and registration number) and owned by <insert Name>.

The collision occurred at <insert location> at <insert Time> am/pm on dd/mm/yyyy.

We are holding you liable for the cost of repairing the damage to our vehicle and seek payment of \$ <insert amount> from you, being the cost of repairs as shown on the enclosed quotation.

To avoid further action, please make payment to us or arrange for your Insurer to do so within fourteen (14) days from the date of this letter.

Yours faithfully,

<insert Name>

**MOTOR VEHICLE THIRD PARTY PROPERTY DAMAGE CLAIM
SAMPLE SECOND LETTER OF DEMAND**

“WITHOUT PREJUDICE”

dd/mm/yyyy

<Insert Other Party's Name>
<Insert Address>

Dear <insert Name>

In our letter dated dd/mm/yyyy we requested that you or your Insurer pay the cost of repairs to our vehicle by dd/mm/yyyy.

As we have not received any settlement, we are now informing you that we may take legal action against you. Unless we receive the amount claimed, namely \$ <insert amount> within seven (7) days, we will instruct our solicitors to commence proceedings for the recovery of our cost of repairs plus legal costs, without further notice.

Yours faithfully,

<insert Name>

DRIVER'S PROCEDURE

The following driver procedure should be kept in the glove box of each vehicle:

This information is supplied to assist in having your vehicle repaired as soon as possible, and to assist your insurer where appropriate to recover the cost of your repairs from the other driver involved in the accident. It will also assist the insurance manager in your own office to prepare the necessary claim form.

AT THE SCENE OF THE ACCIDENT:

- DO NOT ADMIT LIABILITY.
- Comply with Police reporting requirements.
- If another vehicle is involved, obtain:
 - 13.** The owner's name, address and telephone number.
 - 14.** The driver's name and address.
 - 15.** The name of the owner's insurance company.
 - 16.** The make, type and registration number of the vehicle.
 - 17.** The name and address of any witnesses.
- Record the date, time and location of the collision.

Notify the insurance manager in your own office immediately and assist him in completing a claim form.

MARINE AND TRANSIT CLAIMS PROCEDURE

1. If goods are delivered in a damaged condition or if there is any reason to suspect damage, the attention of the Carrier's or Shipper's Representative should be immediately drawn to the damage and the delivery receipt noted accordingly. In the event of suspected damage, it is suggested that the receipt be noted "Goods believed to be damaged. Accepted subject to survey in store".
2. If there has been any malicious damage, burglary or theft, the police should be notified.
3. Immediately when damage or pilferage is discovered, contact us to receive instructions on what action to take. It may be necessary to appoint a surveyor/ assessor.
4. Write a letter of demand to the Carrier's or Shipper's Representative holding them responsible and asking them to pay costs – refer example next page.

Send us the following documents:

- Completed Claim Form (ensuring your ABN No. and Input Tax Credit entitlement are included)
- Invoices or other proof of value of the consignment
- Original freight note or carbon copy
- Delivery receipt
- Suppliers packing slips where appropriate
- Bill of lading, consignment note or other proof of shipment, including clear statements of the conditions of carriage
- A copy of the letter of demand, and the carrier's response (if any) received
- Details of possible salvage.

**MARINE TRANSIT CLAIM
SAMPLE LETTER OF DEMAND**

“WITHOUT PREJUDICE”

dd/mm/yyyy

<Insert Name>
<Insert Address>

Dear <insert Name>

We are the owners of machinery / stock which was lost/damaged whilst in transit from <insert Location> to <insert Location> on dd/mm/yyyy.

Since you were the carriers / shippers, we are holding you responsible for the loss.

We are claiming payment of \$ <insert amount> from you which is the cost of repairs / reinstatement as shown on the enclosed account/s.

Please make payment within ten (10) days from the date of this letter.

Yours faithfully,

<Insert Name>

PROFESSIONAL INDEMNITY AND DIRECTORS' & OFFICERS' LIABILITY CLAIMS PROCEDURE

An important feature of any Professional Indemnity and Directors' & Officers' Liability policy is the “**claims made**” basis of cover. Essentially these forms of cover require immediate notification of:

- (i) A claim against an insured
- (j) Any circumstances which may give rise to a claim under the policy.

If such circumstances are not reported to the insurer prior to expiry of the period of insurance, the insurer is not bound to provide indemnity under the policy.

In order to ensure that any entitlement to indemnity is preserved, your insurer must be advised of any incident which may give rise to a claim immediately when it comes to your attention and prior to the expiry date of the policy.

Notification should be given to our personnel who will then:

- (k) Advise what action should be taken
- (l) Notify insurers on your behalf.

CORPORATE TRAVEL CLAIMS PROCEDURE

1. EMERGENCIES

Identification Cards have been issued to identified overseas travellers and should be carried whilst travelling. These cards contain a telephone number for emergency assistance. The service includes:

- (m) Medical Insurance verification
- (n) Payment guarantees to hospitals
- (o) Emergency Medical Advice (24 hours per day)
- (p) Case Management if hospitalised
- (q) Cost containment and control
- (r) Hospital discharge planning
- (s) Arrangement of evacuation home

2. NON-EMERGENCIES

A claim form should be prepared and sent to us (ensuring your ABN No. and Input Tax Credit entitlement are included) as soon as possible.

Overseas travellers must report losses to the local police or responsible officer of any aircraft or vessel on which he / she is travelling.

WORKERS' COMPENSATION CLAIMS PROCEDURE

When an employee sustains an injury as a result of an accident arising out of or in the course of his or her employment, the particulars of the injury are:

- To be reported to the employee's supervisor who will:
 - 18.** ensure injury detail is recorded in the appropriate register;
 - 19.** arrange for necessary claim forms to be completed.

- To be reported to the appropriate Claims Agent/Insurer/Government Office.

In the event of a serious accident where there may be a possibility of Common Law action against the Company, your Company Secretary or other designated officer must be advised immediately.

