



Understanding settlement options

A guide to understanding settlement options for your insurance claim.

If your claim is accepted, we may either repair and rebuild your property, replace damaged items or offer a cash settlement.

Understanding the considerations and benefits of each option will help you make an informed decision that best suits your needs.

What you may expect

Depending on the circumstances of your claim, you may be offered one, two or all three settlement options. Take the example below.

Imagine your home has suffered significant impact from a weather event that has caused structural damage to your property, as well as damage to your belongings, including a couple of items that are irreplaceable. Once your claim has been assessed, your outcome may include:



Rebuilding of your home through QBE appointed builders and tradespeople



Replacement of items that have been destroyed such as whitegoods, carpet and electrical products, furniture and other household items



Repair of damaged household items that can be salvaged by QBE preferred suppliers such as restorers



If we can't find a suitable replacement for one or a number of your damaged contents we may pay you an agreed amount to cover the cost of replacement.

Note: All settlement options are in accordance with sum insured and/or policy limits.

Taking into account your policy limits and claims outcome, QBE may



Repair and rebuild your property

(for property claims)

QBE manages the repairs and/or rebuilding and covers the costs

We work with our network of preferred suppliers to complete the work to a professional standard.



Replace damaged items

(for content claims)

QBE provides a replacement product, of a similar kind and quality of the damaged item, where practical

We have a panel of preferred suppliers for common household items such as fridges, washing machines, TVs, electrical items and limited jewellery.



Offer a cash settlement

(either property or content claims)

QBE pays you a lump sum payment to settle your insurance claim

The amount we pay may cover part, or all of your claim, depending on the claim assessment outcome. This payment is determined based on the estimated cost of repairs or replacement less any policy excesses.

Making an informed choice

Repair and Rebuild versus Cash Settlement for building claims

Customers should consider obtaining legal and or financial advice prior to requesting and or accepting a cash settlement.

Why QBE may offer you a cash settlement

A cash settlement may be offered if:

- The damage is only minor
- You have chosen not to rebuild or repair your property
- Repairs have already commenced or been conducted by someone else, or when you have directly requested a specific repairer
- We can only partially accept your claim, perhaps because your building has pre-existing structural issues, damage or there are maintenance issues that need to be repaired first (by you) before repairs for the insured damage could proceed
- It would be unsafe to rebuild or repair your home or the local consent authority will not allow the property to be rebuilt (i.e. land re-zoning)
- The building codes in your local area have changed and your home cannot be rebuilt in the same way that it was originally built; or
- The estimated cost of repairs exceeds the sum insured that you elected to insure your property for

Choosing between a cash settlement and a repair and rebuild option depends on your unique circumstances, preferences, and financial situation. Here are some key factors to consider when making your decision:

Things to keep in mind about cash settlements

- If there is a mortgage over your home, you may need to consult your bank or other lender
- If you chose to appoint and control your own builder or manage trades and repairs, you will not qualify for lifetime guarantee(s) on building repairs offered under your policy
- Where you have arranged your own builder, any warranties on the repairs, time and cost management, materials and the quality of workmanship will be the responsibility of your builder or repairer. It's important that you comply with council regulations and building codes as well ensuring that the builder you engage has appropriate licenses and insurance
- If you choose not to complete the repairs required, your insurance policy may no longer cover future claims until your repairs are completed by a qualified/licensed builder or tradesperson; (e.g. a storm damaged roof requiring replacement which has not been repaired in a timely manner, which results in subsequent water entry causing additional damage may result in this damage not being covered)

- After natural disasters, there is a great demand for builders and other tradespeople. What this means is that the cost of fixing your property may increase and it may be difficult to find tradespeople to start work immediately

If we finalise your claim within a month of a natural disaster through cash settlement, and you later believe the cash settlement was not complete or inaccurate (e.g. you find further damage once repairs have begun), you can ask for a review of your claim up to 12 months from when it was finalised.

We're here to help

Making a choice between a cash settlement and a repair and rebuild option is an important consideration after property damage. Take the time to weigh the benefits and consider seeking financial and/or legal advice. You can also speak to QBE, your agent, advisor or broker to find out more.

Contact us

If you purchased your policy directly from QBE, call us on **133 723**. If you purchased your policy from a broker, intermediary or your financial institution, contact them to make your claim, or alternatively contact us on **1800 023 387**.

Extra help if you're experiencing vulnerability

If you're a QBE customer in need of extra care following a natural disaster or weather event, we have a range of support measures and resources available to assist. Visit [QBE.com/au](https://www.qbe.com.au) to find out more about how we can help customers experiencing vulnerability or call us directly on **133 723**.

