



Cash Settlements

Fact Sheet

How cash settlements work

In some instances, QBE may determine it appropriate to settle your home building claim by means of a cash settlement. With a cash settlement, we are deciding to pay you money to settle your insurance claim. The amount we pay may be in response to part, or all of your claim.

Why a cash settlement is being offered to you

A cash settlement may be determined in consideration of the circumstances of your claim, taking into account but not limited to, the following:

- the damage is only minor;
- you do not wish to rebuild or repair your property (i.e., total loss to the building);
- repairs have already commenced or been conducted by someone else, or when you have directly requested a specific repairer;
- terms and conditions of your policy conditions prescribe cash settlement;
- 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 insurable repairs can proceed;
- the local consent authority will not allow the property to be rebuilt (i.e., land re-zoning); or
- the estimated cost of repairs exceeds the sum insured that you selected to insure your property for.

How decisions are made on cash settlements

QBE determines cash settlements by reviewing the individual circumstances of your claim, type of repairs needed, customer resolution and complexity of work required, and interpreting and applying your policy conditions to those circumstances.

Our cash settlement will be fair and reasonable. You may have already obtained comparative quote(s) for the damage however, what it might reasonably cost us to complete the repairs may be lower than the market rates available to you due to our service and volume arrangements with our providers.

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 about their approach to you receiving a cash settlement. For example, your lender could require the money be used to pay down your mortgage;
- if you chose to appoint and control your own builder, or manage your own trades and repairs it is important to remember you will not qualify for lifetime repair guarantee(s) 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, 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/licenced 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);
- if we finalise your claim within a month of a natural disaster, 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 we finalised it.

If you have any further questions regarding any of the above, please contact your Claims Officer.

If you have a complaint about the cash settlement

We have a complaints process. You can contact us if you have a complaint about the cash settlement at any time. For more information about making a complaint please go to <https://www.qbe.com/au/about/governance/complaints> on our website.

Other useful references

[Claims explained](#)

[How to make a claim after a natural disaster](#)

[Assessment and repairs process](#)