

# CASH SETTLEMENTS UNDER YOUR HOME BUILDING POLICY – FACT SHEET



## 1. WHY AM I RECEIVING THIS NOTICE?

- We are offering or you are requesting to receive a payout ("cash settlement") for your home building claim.
- This information is to help you understand how cash settlements work.

## 2. HOW DO CASH SETTLEMENTS WORK?

- With a cash settlement, your claim is completed by us paying you money for the cost of covered repairs, instead of us repairing or rebuilding your home.
- A cash settlement can be made through either an electronic funds transfer ("EFT") or cheque.
- The amount we pay may be for part or for the full amount of your claim.

## 3. WHY IS A CASH SETTLEMENT BEING OFFERED TO ME?

There can be an array of reasons as to why your claim might be cash settled, including:

- You have directly asked for it or you do not wish to repair or rebuild your home.
- It would be unsafe to repair or rebuild and/or a local authority will not allow it.
- Repairs have already started, or you have directly asked to use your own repairer.
- We can only partially accept your claim, such as if your building has pre-existing damage or issues that are not covered by your insurance policy and need to be repaired by you, before covered repairs can start.
- The cost of the repairs exceeds the amount of insurance that you chose to cover your home.
- Where the damage to your building is only minor.

## 4. WHAT THINGS SHOULD I KEEP IN MIND ABOUT CASH SETTLEMENTS?

There are some important things to keep in mind with cash settlements, including:

- If there is a mortgage over your home, you may wish to consult your bank or lender as they may hold rights over the management and usage of the cash settlement.
- You may have greater flexibility and control over choosing and managing your own builder and repairs. However, we will not be responsible for the time, cost, or the quality of workmanship, materials, and repairs completed by your chosen repairer.
- Your insurance policy may no longer cover you until your repairs are completed by a qualified builder or tradesperson. As such, you should consider the implications of not having insurance cover on your property while repairs are underway.
- You may wish to obtain independent quotes for repairs based on the scope of works ("SOW"). The quotes can assist you with judging potential start and completion delays, and the fair and reasonable amount provided for cash settlement. What it might cost us to complete the repairs may be lower than the market rates available to you.
- If we finalise your claim within a month of a declared natural disaster causing your loss, and you later believe the cash settlement was based on an incomplete or inaccurate assessment of the damage to your home, such as if you find more damage once you start repairs, you can ask us for a review of your claim up to 12 months from when we finalised it.
- It may not cover the reasonable costs of staying in temporary accommodation where delays are incurred by you choosing or managing your own repairers or changing the SOW that we cash settled you on. If we were to complete the repairs, we would cover your temporary accommodation subject to the terms of your policy.
- Feel free to ask us questions or seek independent legal or financial advice about whether the cash settlement is a fair and reasonable amount, and whether accepting it suits your individual needs and circumstances.



## 5. WHAT IF I HAVE A COMPLAINT ABOUT THE CASH SETTLEMENT?

- You can contact your broker or our Claims team to discuss any concerns or issues you may have with the cash settlement.
- More information about making a complaint is on our [website](#).

### OTHER USEFUL REFERENCES:

For more information about the claims process, see the following general material provided by the Insurance Council of Australia:

- [Claims explained](#)
- [How to make a claim after a natural disaster](#)
- [Assessment and repairs process](#)

### CONTACT DETAILS:

Phone: 1300 143 536

Email: [hsbclaims@hollardcommercial.com.au](mailto:hsbclaims@hollardcommercial.com.au)