

## CASH SETTLEMENT FACT SHEET

### Cash settlements under a Residential Strata building policy

We are offering to pay you money to settle your Residential Strata insurance claim.

We may use a cash settlement, having taken into account your individual circumstances and your claim, and by applying the terms and conditions of your insurance policy.

### How cash settlements work

A cash settlement is an amount of money we offer to settle your claim. We can settle some or all of your insurance claim using a cash settlement.

We will explain the basis for the dollar amount of the cash settlement we offer you.

You are free to get your own quotes to estimate how much it would cost to repair or rebuild your property, which we will use as part of the cash settlement process. You may decide to obtain more than one quote.

### Why you are receiving a cash settlement

Common reasons for cash settlements include:

- a) it is unsafe to repair or rebuild your property.
- b) the local authority will not allow you to repair or rebuild.
- c) We can only partially accept your claim as there is damage to your property that is not covered by your insurance, which first needs to be repaired by you.
- d) your insurance policy does not cover the amount of money it will take to repair or rebuild your property to current building standards. Alternatively, it is not possible for us to repair or rebuild your property, having explored available options with you for you to pay the difference.

### Important things to keep in mind with cash settlements

1. If you have a mortgage over your property, we recommend that you talk to your lender about how the money from a cash settlement is to be used. A lender may require the insurance payout to be used to pay down your mortgage or they may insist on approving

the repairs before they are completed.

2. If a cash settlement is made to settle your claim, keep in mind:
  - a. the responsibility for arranging and co-ordinating all the builders and tradespeople will rest with you;
  - b. you will become the project manager for repairing your property, unless you arrange and pay for one;
  - c. you may have difficulties locating tradespeople who can start work immediately;
  - d. the quality, cost and timeliness of your repairs will not be guaranteed by us;
  - e. if the repairs are not completed, your insurance may not protect you against future events until a qualified person has completed the repairs;
  - f. any delay in the repair of your property may bring about additional damage which may increase the cost of repair and will not be covered by your policy and will be your responsibility.
3. After a natural disaster, there can be greater demand for builders and other tradespeople. You could find the cost of fixing your property increases, or there may be delays in the time it takes to fix your property.
4. 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.

### How to find out more

Feel free to ask us any questions. We recommend that you consider obtaining independent legal or financial advice about whether the cash settlement is fair and reasonable.

### 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. More information about making a complaint is on our website [www.axisunderwriting.com.au](http://www.axisunderwriting.com.au), including how to access the Australian Financial Complaints Authority if you are unhappy with our response.