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DEFENCE INSURANCE—PROPERTY DAMAGE CLAIMS—POLICY EXCESS REDUCTION

The Defence Insurance Office advises that the franchise excess under Defence's property damage policy with Comcover has been reduced from \$1 000 000 to \$500 000 effective 07 October 2009. Defence is now in a position to recover compensation from Comcover for each insured property damage or loss event where the cost exceeds \$500 000.

Overview of property damage policy

Defence owned estate, contents and infrastructure, including property in Defence's care, custody and control, are insured under Defence's Property Damage Policy for reimbursement of reinstatement or replacement costs. Loss or damage caused by events such as fire, cyclone, storm, wind, flood, earthquake, impact, accidental loss, theft and malicious damage are covered.

Damage to Specialised Military Equipment (SME), watercraft over 15 metres in length, aircraft, rockets, satellites, livestock, animals, birds, fish, standing timber, growing crops and pastures are excluded unless noted on Defence's Schedule of Cover.

Cover is subject to all Comcover policy terms and conditions which are contained within the Comcover Insurance Policy Wording and Defence's Schedule of Cover. Both documents are available from the Defence Insurance Office website located at: <http://intranet.defence.gov.au/dsg/sites/Insurance/>.

Overview of property damage policy excess

The excess now applicable is a \$500 000 franchise with an inner excess of \$100 000. What this means is that when an insured loss exceeds \$500 000 a claim can then be made against the policy with a \$100 000 excess payable. This amount will usually be deducted from any claim settlement made to Defence. Losses below \$500 000 will need to be fully funded by Defence.

This reduction should enable a greater number of property damage claims to be captured under the policy.

The excesses applicable for loss or damage to Defence watercraft (up to and including 15 metres in length), Australian Defence Force (ADF) Cadet property, and property in transit remain unchanged. Please refer below for claim reporting threshold that are applicable to these categories.

Reporting claims for property loss/damage

Should one of the following events occur:

- a single event (for example, fire, explosion, storm, wind, impact, theft, flood, malicious and/or accidental damage) that results in property damage to Defence estate, contents and infrastructure which is likely to total more than \$500 000;
- event of a natural disaster (for example, cyclone, bushfire, flood, earthquake) resulting in widespread damage to Defence estate, contents and infrastructure which is likely to total more than \$500 000 in the aggregate;
- events described above which are less than \$500 000 but the consequential loss resulting from property damage will exceed \$500 000 (for example, costs incurred by sourcing temporary accommodation);
- damage/loss to cadet property exceeding \$500;
- damage/loss to Defence watercraft (up to and including 15 metres in length) exceeding \$2000; and
- damage/loss to Defence property while in the course of transit (including SME) exceeding \$5000.

Defence officials must notify the Defence Insurance Office by completing [Form AD 088—COMCOVER Notification Record](#) or by emailing full details to: definsurance@defence.gov.au immediately or at least within 24 hours of the event occurring. You may also telephone the Defence Insurance Office and provide verbal details of the event if you are unable to forward written material immediately, for example, a natural disaster. Officials are to ensure they also provide details of a point of contact as Comcover will appoint a Loss Adjuster to assess the damage and quantify the insurable content of the claim. Delays in reporting claims may jeopardise Defence in receiving a full claim settlement.

Further information

Further details can be obtained by telephoning the Defence Insurance Helpdesk on 1800 990 900 or by emailing: definsurance@defence.gov.au.



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