Financial counselling sector

Supplementary submission to the inquiry into insurers' responses to 2022 major flood claims

financial counselling australia

FINANCIAL COUNSELLORS' Association of Queensland Inc.

FCVic Financial Counselling Victoria Inc.

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Supplementary Submission

In the 9 months since we made our initial submission to this inquiry, financial counsellors have continued to support their flood-affected clients following the devastating floods of 2022. Through this work, more systemic insurance related problems have continued to emerge, particularly out of Victoria.

In addition to this, two more catastrophes have occurred in the state of Queensland. This has provided us with the opportunity to compare the insurance response to 2022 and gain an understanding of what has changed and what has stayed the same.

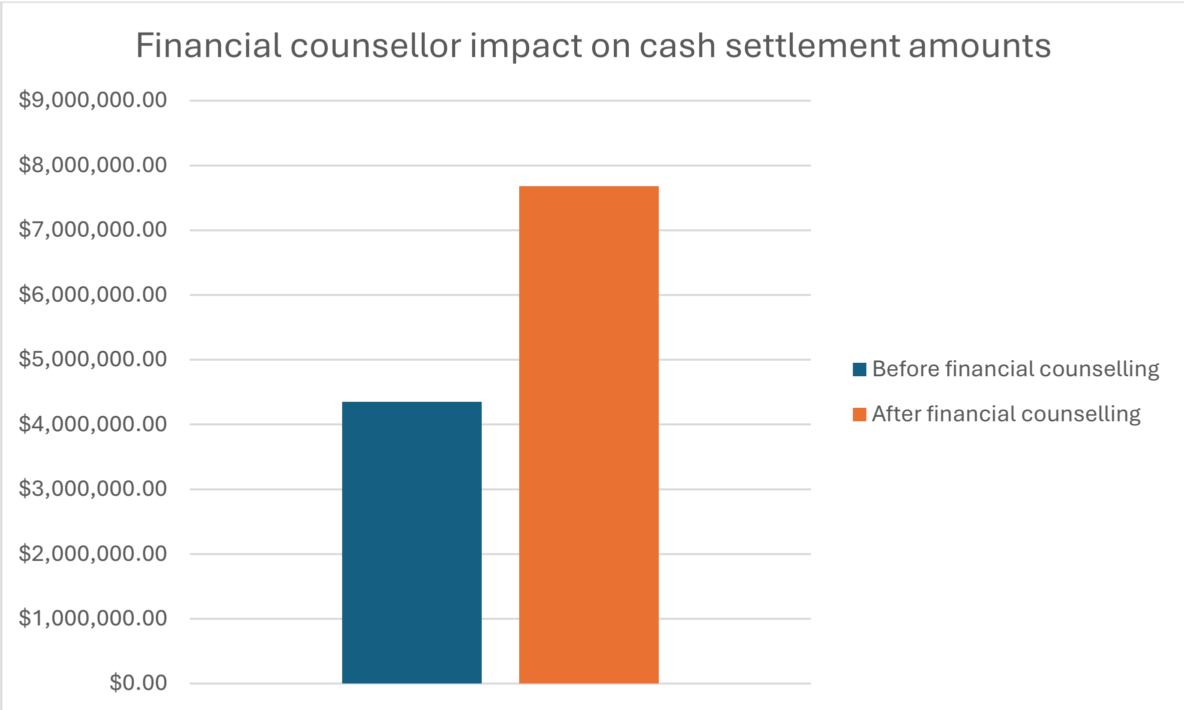
This report is submitted on behalf of Financial Counselling Australia, Financial Counselling Victoria and Financial Counsellors Association of Qld. We wish to thank the financial counsellors who have taken the time out of their busy schedules to contribute to this report by submitting case studies. We are particularly grateful to the Port Douglas Community Centre for their in-person support of FCA on a recent visit to far north Queensland.

The experiences of policyholders before, during and after making claims

Cash settlements

In our initial submission, we touched briefly on inadequate cash settlements being offered by insurers as well as the life changing outcomes financial counsellors were able to negotiate on behalf of their clients.

We now have data that shows what we believe to be the widespread practice of offering inadequate cash settlement amounts. The table below shows that financial counsellors were able to negotiate a total increase of more than $3.3 million for cash settlements offered to 40 clients. This is an average of an additional $83,182 per client.



This data was sourced from just one financial counselling agency servicing a small area of regional Victoria. Increases in cash settlements were negotiated across both building and contents claims for the following reasons:

- overturning of previously declined claims
- problems with the scope of works
- temporary accommodation
- uplifts requested
- non-financial loss compensation

On the next page is the breakdown of the data showing the 10 different insurance brands involved. Approximately one third of the clients were initially offered nothing.

Insurer	Initial Offer	Actual Payout	$ Difference
APIA	$0.00	$3,150.00	$3,150.00
CGU	$0.00	$3,150.00	$3,150.00
Hollard	$0.00	$8,000.00	$8,000.00
RACV	$0.00	$14,128.55	$14,128.55
RACV	$217,000.00	$234,849.89	$17,849.89
Allianz	$0.00	$18,000.00	$18,000.00
AAMI	$13,726.00	$32,626.00	$18,900.00
Allianz	$347,718.07	$370,422.07	$22,704.00
QBE	$38,043.00	$63,856.02	$25,813.02
QBE	$0.00	$28,183.83	$28,183.83
CGU	$0.00	$29,756.29	$29,756.29
Hollard	$150,000.00	$180,000.00	$30,000.00
Allianz	$120,330.00	$150,752.00	$30,422.00
AAMI	$200,000.00	$233,000.00	$33,000.00
Suncorp	$23,957.17	$58,194.12	$34,236.95
APIA	$59,823.87	$94,469.93	$34,646.06
Allianz	$149,148.25	$189,148.25	$40,000.00
RACV	$0.00	$41,876.00	$41,876.00
Hollard	$0.00	$46,000.00	$46,000.00
QBE	$285,000.00	$333,000.00	$48,000.00
CGU	$214,564.17	$264,227.04	$49,662.87
CGU	$255,300.00	$306,360.00	$51,060.00
CGU	$217,136.27	$268,886.00	$51,749.73
CGU	$143,594.00	$201,920.00	$58,326.00
CGU	$205,115.87	$263,874.95	$58,759.08
Hollard	$0.00	$60,000.00	$60,000.00
Hollard	$3,239.78	$70,370.00	$67,130.22
RACV	$0.00	$78,331.49	$78,331.49
CGU	$172,985.66	$251,319.11	$78,333.45
AAMI	$123,000.00	$221,330.82	$98,330.82
CGU	$166,197.56	$279,219.60	$113,022.04[1]
Hollard	$101,500.00	$215,719.00	$114,219.00
RACV	$50,000.00	$167,200.00	$117,200.00
Hollard	$23,398.37	$192,713.06	$169,314.69
Budget Direct	$200,283.00	$381,967.00	$181,684.00
WFI	$167,265.80	$355,276.29	$188,010.49[2]
Allianz	$349,429.07	$551,989.94	$202,560.87
Allianz	$184,959.13	$449,000.00	$264,040.87[3]
RACV	$0.00	$396,300.00	$396,300.00[4]
RACV	$167,000.00	$568,438.80	$401,438.80[5]
Total	**$4,349,715.04**	**$7,677,006.05**	**$3,327,291.01**

[1] Case study 1: James and Candice
[2] Case study 2: Mary and Stan
[3] Case study 3: Rachel and Kyle
[4] Case study 4: Bev and Ian
[5] Case study 5: Natalie and Nathan

Deeds of release

When an insured accepts a cash settlement offer from an insurer, the insurer will require that a deed of release be signed as a condition for funds to be transferred to the insured. Insurers do this to prevent their customers from disputing the claim in the future. Financial counsellors have noted two main problems with the use of deeds of release in the context of home and contents insurance.

Firstly, there is the all-too-late realisation that the cash settlement amount was not sufficient to carry out the necessary repairs. Unknowingly accepting an insufficient cash settlement offer happens because most insureds are not qualified tradespeople. They trust that their insurer has offered them a fair sum based on an assessment of the damage carried out by an insurer-appointed expert. If a deed of release has been signed, there is no recourse for the insured because they have legally accepted the terms of the settlement.

Secondly, deeds of release contain confidentiality and non-disparagement obligations. Financial counsellors who encouraged their clients to speak at the public hearings for this inquiry were repeatedly told they were too scared to speak because they had signed a deed of release. They feared that if they spoke out, their insurer would take civil action against them for breaching their confidentiality and non-disparagement obligations.

Buying a home in a flood zone

On 1 February 2024 when we appeared at the public hearing for this inquiry, we were asked by Mr Garth Hamilton MP about whether there is a process that helps people understand their risk prior to purchasing a home. This question was asked in the context of vulnerable people purchasing low-cost housing in flood zones.

An important point missing from the discussion was that people will make the best decisions they can with the limited resources available to them. This means that even if good quality risk information were freely available to people prior to purchasing a property, it would not necessarily influence their decision making. The reality is that housing in flood zones is affordable, and some people will therefore decide that owning a home in a flood zone is better than owning no home at all. For some, dealing with a flood every now and then, is a necessary risk for the security of home ownership.

Temporary accommodation

Claims that take longer than 12 months to resolve

Financial counsellors continue to support clients with their insurance claims two years on from the major floods of 2022. When claims take longer than a year to resolve, this is problematic for temporary accommodation arrangements as most additional benefit inclusions are for a period of 12 months.

Financial counsellors have several cases with Allianz where the claims have taken more than twelve months to resolve due to the insurer's insistence that multiple expert reports be sourced. In one case, a client had to wait for nine months for the ground to dry before an expert report could be done. When the report was finally completed, it supported the client's claim and works were eventually approved. However, Allianz refused to provide temporary accommodation beyond 12 months.

We say that when the 12-month period begins is crucial. Where it is demonstrated that the delay was due to the actions or advice of an insurer, that period should not be to the disadvantage of the insured.

Tourist Towns

The December 2023 floods in far north Queensland were the worst in recorded history with waters rising 2.4 metres above the 1-in-100-year annual exceedance probability.

Cairns and surrounding towns such as Port Douglas are also heavily reliant on tourism. Wayne Reynolds, general director of Tropical Tourism North Queensland was quoted in the media as saying, "We were looking at running into 100 per cent occupancy before Jasper and the flooding – that dropped away to 40 to 50 per cent occupancy."

The loss of tourist bookings meant that displaced locals initially found it easy to find temporary accommodation. However, when the tourists began to return in the middle of 2024, locals found themselves displaced again, having to vacate their accommodation to make way for the tourists.

One example of this was a 94-year-old man with mobility issues and a terminal illness, who lost his temporary accommodation due to the beginning of the tourist season. His insurer would only pay for his accommodation a month at a time, a practice that caused unnecessary anxiety and ultimately led to the insured having to vacate the accommodation for a tourist.

Thanks to the kindness of a neighbour, the insured was able to secure accommodation in a very small motel room close to his home. The motel room does not have adequate facilities to cater to the insured's mobility issues, has no cooking facilities, and no laundry facilities, but the man said that he considered himself lucky because the people at the motel were "looking out for me".

Inflexibility

In the wake of Tropical Cyclone Jasper and the record-breaking flooding that it brought, community service workers have reported a lack of flexible temporary accommodation options being offered by insurers. Given the unreliable nature of tourist accommodation and that townships in far north Queensland are spread out over great distances, flexibility is important when thinking about how to keep people connected to their communities.

One example of this was a family in far north Queensland whose house was rendered uninhabitable following the December 2023 floods. The house was insured for flood and the claim had been accepted by the insurer. However, the family wanted to stay connected to their property as they had animals to care for. They also wanted to stay connected to their local support network and close to their young children's school.

The insurer offered the family tourist accommodation 40 minutes away. When they explained to the insurer why that would not be suitable and requested a caravan instead, they were denied. As they were unable to leave their animals, they resorted to camping in swags in an open shed in a far north Queensland summer.

On the flip side of this, Mary and Stan (see case study 2) were offered a caravan by their insurer following the October 2022 Victorian floods. However, this was unsuitable for them due to their age-related mobility issues and their understandable reluctance to live near a building site. This shows that when it comes to temporary accommodation, one size does not fit all.

Internal dispute resolution processes

Objectivity

The Australian Securities and Investment Commission outlines in *Regulatory Guide 271 – Internal Dispute Resolution* that:

"Financial firms should manage complaints objectively and without actual or perceived bias. This requires that… wherever possible, the complaint is considered by staff not involved in the subject matter of the complaint."

Financial counsellors lodging complaints with RACV and CGU on behalf of their clients have found that their complaints are often managed by the same claims manager they were dealing with prior to lodging the complaint.

One financial counsellor had complaints with CGU for 8 separate clients, all being handled by the same claims manager both before and after the complaint was made. RACV claims handlers are given 3 days to resolve a complaint before it is transferred to a complaints department.

Both RACV and CGU have 3 complaint levels as part of their internal dispute resolution process and financial counsellors have reported that there is no way to fast track between levels.

Timeframes for an IDR response

The Australian Securities and Investment Commission outlines in *Regulatory Guide 271 – Internal Dispute Resolution* that:

"A financial firm must provide an IDR response to a complainant no later than 30 calendar days after receiving the complaint."

Financial counsellors working in disaster recovery have repeatedly shared casework examples with FCA where they have felt stuck in IDR after assisting clients with complaints to their insurers. Insurers were found to be drip feeding their responses to complainants and re-setting the 30-day response clock each time. It is only through experience that we as a sector have learned when to draw the line with insurers and escalate to the Australian Financial Complaints Authority (AFCA). However, the average insured does not know when to draw the line and may not know about or feel confident to escalate to AFCA.

An example of this is the family in far north Queensland who were denied a caravan. They lodged a complaint with their insurer, citing that the caravan they had sourced was within 10% of sum insured as per their policy. However, every 30 days, the insurer came back with an offer that was marginally higher each time but still nowhere near adequate to purchase the caravan. The family described feeling "worn down to nothing" by the IDR process and therefore too exhausted to consider an AFCA complaint.

Recommendations

1. **Allow insureds to request a review of their claim for up to 12 months after settlement if the claim was settled within 12 months of a catastrophe.** Clause 90 of the General Insurance Code of Practice currently allows for insureds to request a review of their claim for up to 12 months after settlement only if the claim was settled within 1 month of a catastrophe.

2. **Ban the use of deeds of release in the context of home and contents insurance claims.** We understand they have a role to play in other insurance contexts where the power imbalance is less pronounced. This is why we are only recommending this ban in the context of home and contents insurance claims.

3. **Provide temporary accommodation for 24 months after a catastrophe.** We think this would incentivise more efficient claims handling by insurers.

4. **Proactively ask customers what type of temporary accommodation will be suitable for their needs and provide examples of options available to them.**

5. **Ban the practice of internal complaints being handled by the same claims manager.**

6. **Make the Resilient Homes Fund a nationally available scheme.** FCA has worked closely with both the Queensland the New South Wales schemes. The Queensland scheme has been particularly effective in achieving its mandate to buyback, raise and resiliently retrofit flood-affected homes. However, we have noted that many impacted communities outside of south east Queensland and the Northern Rivers were not eligible for the scheme. Should a national scheme be established, we urge the government to consult with community service organisations such as FCA during the design process.

Appendix 1 – deidentified case studies

Case study 1: James and Candice

Client background	James and Candice are married and in their late 50's. They own their own home with no mortgage and both work part time. They have no dependents. Since the floods they have been residing in their converted shed on the property. Both James & Candice are experiencing a decline in mental health following the Rochester 2022 Flood Event.
Presenting issue(s)	James & Candice are linked in with Flood Recovery Workers for support following the floods. In October 2022 their property was flooded above floor level. They lodged a claim with CGU for their building and contents. The contents claim was settled with ease and they were provided funds for temporary accommodation which was used to convert their shed into a liveable space. In June 2023 they were referred to a financial counselling program as they were having issues progressing their building insurance claim. Both James & Candice expressed fatigue in trying to manage their insurance claim due to the ongoing communication issues and lack of progress with CGU. The scope of works (SOW) was signed by the clients and works authorised in December 2022 however in April 2023 the builders found termite damage in the home and the works could no longer be warranted by the builder or CGU. This meant that they were being forced into accepting a cash settlement.
Casework summary	Financial counsellor referred James & Candice to Emergency Recovery Victoria's (ERV) Structural Assessment Program for a free assessment. The report indicated that due to both the termite and flood damage the property was deemed as uninhabitable and eligible for free demolition through ERV. The financial counsellor supported by advocating with CGU for James & Candice to receive an updated SOW for cash settlement. Once received an internal complaint was lodged with CGU via their Internal Dispute Resolution (IDR) process as they refused to provide an unredacted copy of this which included the costing of each line item. This was promptly supplied as the financial counsellor had quoted the

	Insurance Code of Practice. The SOW total was $165,000.00 to be cash settled. Once the unredacted SOW was received this allowed James & Candice to engage their own builder to provide a comparable quote for the repairs. This quote came in at $230,000.00. The financial counsellor discussed options for rebuilding vs demolishing their home through ERV. James & Candice decided to demolish their home so they could mitigate future flooding by rebuilding a home higher than expected flood levels in the future.
Outcome	Following the January 2024 flood event ERV closed the demolition program in February 2024. This meant that James & Candice needed to register promptly to avoid missing out on the free demolition. The financial counsellor advocated through a second IDR complaint with CGU for them to accept James & Candice's builders quote and to also provide an uplift of 20% for the transfer of risk for them completing the works. This saw the final cash settlement sit at $275,000.00. Throughout the insurance claim both the clients and the financial counsellor found it challenging to get outcomes with CGU without having to lodge complaints. This posed lengthy delays in progressing the claim due to their internal complaints handling process. James & Candice were incredibly happy with the cash settlement amount as it is almost enough for them to rebuild. They have indicated they will require a small mortgage to finalise the rebuild however are satisfied that this would be repaid upon retirement using their superannuation funds. In addition to this, they explained it means that they can rebuild at a higher level to mitigate future potential flooding.

Case study 2: Mary and Stan

Client background	Mary and Stan are in their mid-70's, living in rural Victoria. They are self-funded retirees with strong community ties. Mary & Stan are both very independent and can self-advocate. They have adult children and grandchildren who provide emotional support to them along with their elderly siblings.
Presenting issue(s)	Mary & Stan needed support to access temporary accommodation with WFI and lodge their contents claim. As their claim progressed, they required support to navigate a cash settlement and scopes of work (SOW) as the appointed builder couldn't complete the works.
Casework summary	When Mary & Stan presented to the financial counsellor for service, they expressed concern that they had not been able to access suitable temporary accommodation benefits from WFI. WFI's outsourced accommodation team (HRF) had suggested that they place a caravan on the property for Mary & Stan to live in. This decision lacked common sense to Stan who explained that his property is a construction site and unsafe for them given their age. WFI had asked Mary & Stan to provide a detailed list with quotes and photos for their contents claim. This was overwhelming for them – while they were tech savvy, providing such a detailed list was retraumatising for them. WFI appointed a builder and Mary & Stan signed the Scope of Works (SOW) promptly in June 2023 however the builder told them they could not get trades to complete the work. WFI appointed a new builder to re-scope the repairs, Mary & John at this time also explored being cash settled and engaging their own builder due to the significant delays they'd already experienced. Mary & Stan explained several times that they felt pressured by the loss adjuster to sign the second SOW with the other builder while they were trying to decide about cash settlement. Mary & John had three full SOWs with the first having 4 variations attached. The final SOW was completed by the loss adjusters in house building department. Temporary Accommodation was cash settled every few months to allow Mary & Stan to stay in a bed and breakfast. Given the significant delays with the repairs, the financial counsellor advocated for WFI to continue paying temporary accommodation until they return to their property. There were numerous issues with the SOW including missing repairs, damages caused by trades and incorrect measurements of supplies required. Mary and Stan were supported by family to amend these

	within the SOW when the insurer conducted a site visit. This saw a significant increase in the total sum required to complete the repairs.
Outcome	The contents claim was cash settled at $80,000 instead of the initial figure of $50,000. The financial counsellor put together the contents list for the insurer. The building cash settlement was paid at $275,000 instead of the original SOW at $110,000. Due to the significant delays in finalising the SOW, WFI agreed to continue paying temporary accommodation until Mary & Stan were able to move back home. This is outside the policy limits. Mary and Stan were really pleased with the outcome as the builder that they had engaged was able to get the repairs done within the budget. Had they have not had such strong community ties the impacts their health and wellbeing may have been significantly worse.

Case study 3: Rachel and Kyle

Client background	Rachel and Kyle are in their late 50s and receive Centrelink pensions. They own their home outright. Rachel and Kyle have incredible self-advocacy skills and understanding of their insurance claim and dispute. They both experienced insurer fatigue at presentation to the financial counsellor however otherwise had limited vulnerabilities outside the insurance dispute and trauma associated with the October 2022 flood event.
Presenting issue(s)	Rachel and Kyle approached the financial counselling service twice. In June 2023 they expressed interest in accessing an independent engineer due to stump and sub-floor issues. They approached the second time in December 2023 as they were still having issues getting Allianz to include their stumps and sub-floor. In addition, they declined to include insulation, and concrete slab damage. Initially Allianz had agreed to restump the property. Following the strip-out works which included removal of the floorboards, the insurers builders damaged their sub-floor, Allianz later claimed that this was due to 'sub-standard' timber. Rachel explained that had the builders taken care when removing the floorboards, the sub-floor would not have needed replacement. Upon further inspection of the stumps, Allianz stated that these and the sub-floor would not be covered despite the stumps having been replaced around 20 years ago. Allianz had also raised termite damage in the home however, Kyle had the property treated in 2012 and again in 2018 as a preventative measure. Kyle stated that the damage they referred to was from 50-60 years ago. Rachel and Kyle stated that up until October 2023 they were under the impression that Allianz were repairing their home, instead they were told that they would have to take a cash settlement. When they presented to the financial counsellor, the current offer from Allianz to settle their claim was $180,000. Allianz's contracted builder had given them a quote of $150,000 to restump and replace the sub-floor however this was not included in the cash settlement offer. Rachel explained that she had lodged 3 complaints with Allianz and got no whereas the claims handler continued to manage those complaints. Rachel and Kyle wanted support from a financial counsellor to lodge an AFCA complaint. Rachel also explained that their insurance premium had increased by 210% the following year since the flood and she did not want to

	change insurers while her claim was still in limbo with Allianz. She was concerned that she would lose cover or be unable to access new insurance.
Casework summary	The financial counsellor reviewed all insurers expert reports, scopes of works and Rachel's timeline of events. The financial counsellor was able to write a lengthy letter to AFCA outlining the primary issues with respect to the stumps, sub-floor, concrete slab, and insulation exclusions. This included referencing the insurer's expert reports and Rachel's personal photo collection and recollection of events. The financial counsellor used a strengths-based approach with the AFCA complaint and Rachel lodged and managed this herself.
Outcome	Following lodgement of the AFCA complaint Allianz obtained a new quote which included the stumps, sub-floor, insulation, and concrete slab. This came in at $350,000. Despite this new quote, Allianz made the decision to deem the property a total loss which saw Rachel and Kyle receive a cash settlement of $450,000. Once the cash settlement was received and policy cancelled, Rachel and Kyle were finally able to change insurers to something much more affordable. Rachel and Kyle were thrilled that they were able to move forward with rebuilding their home and continue to enjoy their retirement.

Case study 4: Bev and Ian

Client background	Bev and Ian are in their mid-70's, living in rural Victoria. They are both in receipt of the Age Pension and have nominal assets beyond their home which they own with no mortgage. Both Bev and Ian present as vulnerable due to their age and undisclosed disabilities. They rely heavily on their case manager to support them post disaster.
Presenting issue(s)	Bev and Ian's home was flooded under floor level. Engineers engaged by RACV had said that the damage at their home was due to differential footing movement due to moisture in the clay soils which was unrelated to the flooding event. Even though Bev had told them that since then cracks in walls had appears and doors & windows were no longer opening/closing as they should. Bev also explained that RACV told her that her shed, and garage were not included in her policy so they would not clean up the residual mud and grime left from flood waters. Bev had accepted a cash settlement of $3,000 for her external contents, because at the time she felt pressured and exhausted from the process. Bev engaged the financial counsellor as she was not satisfied with this outcome but did not know what to do.
Casework summary	The financial counsellor contacted RACV to request what information was used to make a decision on the claim. The financial counsellor also reminded RACV of their obligations under the General Insurance Code of Practice when dealing with vulnerable customers. The financial counsellor was able to review expert reports that RACV had produced, request additional reports and seek independent legal advice from a community lawyer regarding the claim, the delays and any entitlement to interest. The writer was able to have an independent engineer review RACV's expert reports and provide advice. The financial counsellor ensured that Bev & Ian received all their entitlements under the claim.

<table>
<tr><td>Outcome</td><td>
RACV reopened the claim, and the financial counsellor worked with RACV management and senior claims handlers.
It took some time however after further expert reports, RACV internal assessors deemed the property to be a total loss.
Bev and Ian received the following cash settlement (figures have been rounded up):

$325,000 building sum insured
$10,000 interest (calculated at 12 months post event to account for soil drying time as recommended by engineers)
$30,000 temporary accommodation
$10,000 additional contents
$6,300 for non-financial loss
$15,000 for removal and storage of contents

Bev & Ian are thriving now that they have access to funds to repair their home. Bev stated that she has already repaired the cracked and trip hazardous concrete around the property. They could not understand how RACV went from declining any building damage to the property being a total loss. Ian commented that he doesn’t really know how the financial counsellor did it but they are grateful.
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Case study 5: Natalie and Nathan

Client background	Natalie and Nathan are in their mid-50's and both work casually. At the time of presentation, Natalie was unable to work as she was waiting for knee surgery. They have adult children, one of who was living with them at the time and has a diagnosis of PTSD and a heart condition. Natalie explained that they have good support systems around them.
Presenting issue(s)	Natalie and Nathan presented for financial counselling twice. Initially when they came into case work in March 2023, they decided against continuing once allocated. Nathan later explained that this was because the senior assessor rolled her eyes and told Nathan and Natalie that insurance agencies do not like financial counsellors and engaging with one would be detrimental to their claim and slow things down. The second time they presented in June 2023 as they continued to have issues with their building claim. RACV's expert engineers had indicated that the property needed 6 months to allow for the foundations to settle, they had a sink hole in their drive which RACV claimed initially was not a result of the floods and the roof had started to fall in due to the properties foundations dropping. In addition, they were living in a temporary village funded by the state government, this was due to close in August, and they were worried they would become homeless as RACV were being difficult while trying to negotiate temporary accommodation. Nathan had been told by RACV that if they weren't over insured then the claim would have been a total loss. Nathan couldn't understand this because it was RACV who chose the insured sum when they took the policy out. Both Natalie and Nathan stated that they experienced trauma because of the flood along with the claims process.
Casework summary	The financial counsellor assisted Natalie and Nathan by taking over the communication between them and RACV. The financial counselling team leader supported Natalie and Nathan at an ICA forum. When approaching the RACV desk the claims handler removed the third chair to not allow a seat for the financial counsellor. During this appointment with RACV, they stated that they had emailed claim documents and expert reports to the financial counsellor, this was in fact untrue. Further to this the claims handler had decided not to provide copies of reports and scopes of works to Natalie and Nathan until the day of the appointment so she could make a cash settlement offer. This behaviour was upsetting to Natalie and Nathan

	as it did not leave them time to digest the information or come in prepared to the appointment. Natalie had purchased two caravans valued at $65,000 because RACV had agreed to cover the purchases through their temporary accommodation. The financial counsellor had to intervene and put pressure on RACV to ensure this payment was made promptly. The financial counsellor supported Natalie and Nathan to organise an itemised SOW from their own builder that was at the same standard RACV would consider.
Outcome	During the financial counsellor relationship, it was evident that RACV did not understand a trauma informed approach and the lack of empathy exacerbated Natalie and Nathan's the distress that they experienced. The financial counsellor believes that RACV's behaviour significantly contributed to the grief and loss they experienced because of the flood. It was evident during the process that RACV were focussed primarily on resolving the claim and the financial aspects rather than providing support following a traumatic event. After reaching a verbal cash settlement offer in November 2023 of $470,000 RACV failed to put this in writing until Natalie and Nathan spoke with the media, who subsequently contacted RACV for comment. In additional to this, RACV omitted the truth indicating that the financial counsellor caused delays by not returning phone calls, Natalie and Nathan understood this was not the case as they had been in consistent contact with their financial counsellor. Due to the length of time since the offer in November 2023, the builders' costs had increased. The writer advocated with RACV for the updated SOW to be used along with a 20% uplift. This saw the claim cash settled for $570,000 opposed to RACV's original offer of $165,000 and previous offer of $470,000. Following settlement of the claim, Natalie and Nathan had their home demolished through Emergency Recovery Victoria's (ERV) free demolition program as the home could not be repaired. Natalie often reaches out to the financial counselling program to provide updates on her rebuild, additionally she sought information about reinsurance post disaster. Unfortunately, RACV declined to provide contents insurance for Natalie and Nathan who have their contents stored in a shipping container. They explained that because there is no dwelling on the property it cannot be offered.