



Australian
Furniture
Removers
Association

Moving Guide Kit

Part 5 - Insurance

Why do I need insurance?

When you have your belongings in your house, you have them covered with a Home and Contents policy. This policy is based on a low risk situation. When you move your goods, the risks are made considerably greater and this is why your normal policy does not cover you.

A transit insurance, offered by your removalist, is in most instances the most economical way to cover your goods in transit. If you think you don't need insurance, you should ask yourself why you would insure your goods in your house where there is low risk, and not when they are moving into a high risk situation.

Don't Removal Companies have their own insurance?

Under Australian law, Removal Companies do not have to carry insurance. However, as part of membership qualification, AFRA members must have public liability insurance, comprehensive third party motor vehicle insurance and Fire, Flood, Collision and Overturning insurance for their own protection

If I pack my own boxes am I insured?

Because your goods have not been packed by the Removalist, they can take no responsibility for their contents in the event of any damages/breakages

What happens if a removalist drops a box and damages the contents?

If you can prove that the Removalist did not use due care or skill and therefore was negligent, they will be responsible for the damage

What is customer goods in transit & storage insurance?

Insurance that covers your household goods from the time they leave one house until they are installed in the new house. Your Removal Company can arrange this insurance for you.

Make sure you read the Combined Financial Services Guide and Product Disclosure Statement

What are the insurance choices?

Your removal company can arrange insurance which is designed specifically to cover household goods being moved from one house to another, including any periods of storage.

Your current insurance policy might provide this cover. But as many householders' policies do not cover goods while they are in transit or stored at a furniture warehouse, you will need to check with your current insurance company to ensure that you are covered.

Be sure to ask your AFRA Removal Company if they can arrange insurance for you.

To ensure that you obtain the cover you need, do ask your removal company about any exclusions or limitations on the policy and the amount of any excess in the event of a claim.



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continued

When do I need cover?

Transit

This insures your household goods while they are being packed and moved by your removal company, including any storage in the course of the move.

Storage

If your Removal Company stores your goods, the transit cover you choose can be extended to cover those goods during the storage period.

This will attract a separate premium. If you do not extend your transit cover for the periods of storage, your transit policy ceases when goods are unloaded into the warehouse.

What are the types of insurance cover?

Full Cover

This covers loss or damage from any external cause including breakage, scratching, chipping, denting, theft, pilferage and non-delivery, subject to any exclusions and limitations in the policy.

Restricted Cover

This cover only insures specified risks such as fire, flood, collision and overturning of the conveying vehicle during transit. This is a limited cover but it offers a cost effective alternative to full risk cover.

What is the basis of settlement?

Replacement Cost

This usually pays the full current replacement value where goods are damaged.

Market Value

This pays you the replacement value of your goods less a reasonable allowance for age, condition and wear and tear.

Both options cover the cost of repairs.

How much should I insure for?

Your removal company will provide you with an insurance declaration to assist you to arrive at the value you need to protect your valuable goods. It is important not to undervalue your goods, as the values stated by you are the maximum amounts that will be considered in the event of a claim.

WARNING:

Insurance policies can differ from one company to another and your AFRA member company will be able to assist you in explaining your insurance options available.

If in doubt, call AFRA on: 1800 671 806.