



West Australian
29-Mar-2010
Page: 13
General News
By: Joseph Catanzaro And Flip Prior
Region: Perth
Circulation: 188211
Type: Capital City Daily
Size: 164.87 sq.cms
Frequency: MTWTFS-

Insurers face huge losses for write-offs

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Car insurers are facing losses running into tens, possibly hundreds, of millions of dollars after mass assessments of hail-damaged vehicles across the Perth metropolitan area at the weekend resulted in about half being written off instantly.

Almost 1000 RAC customers attended mass assessment centres in Welshpool and Bibra Lake on Saturday. About 400 vehicles were written off.

Yesterday, a spokeswoman for the RAC said the insurer had received more than 20,000 claims with an estimated value of more than \$50 million.

At the Manheim Fowles auction facility at Perth International Airport on Saturday morning, up to 1000 HBF customers also lined up to have their storm-damaged cars assessed by the insurer between 8am and noon.

With the average quote to fix hail damage to the bonnet, roof and boot of a car about \$10,000, those insured for less than that amount were deemed not worth repairing.

Yesterday, HBF general manager of insurance Steve Hollow said about half the cars were written off.

“If I was to hazard a guess, I would

say at this point, the HBF loss would be in excess of \$15 million — that’s combined motor and home, and that’s early days,” he said.

“We believe we’ve seen only 50 per cent of the vehicles so far.”

More mass insurance assessments are expected. Mr Hollow said vast numbers of vehicles would then be sold at auction.

On Saturday, the State Government announced the introduction of retrospective changes to vehicle licence duty to ensure that people buying hail-damaged new cars at reduced prices paid duty according to the car’s true market value, not its original retail price. Those who had already paid duty on the higher amount would be eligible for refunds.



Storm cost: Written-off cars