

Step 1. I am in insurance claim limbo – what do I do?

Sometimes, people can get stuck in limbo where you have made the claim but have not had an answer. You ring the insurer and they keep asking for more information or saying your claim is still being processed. Insurers are required to comply with the [General Insurance Code of Practice](#). Section 3.1 of the Code states that an insurer must decide to accept or deny your claim within 10 business days of receiving the claim. If the insurer decides it needs further information or an assessment to decide your claim, then the insurer must notify you within 10 business days of receiving the claim:

1. What further information is required
2. If a loss assessor needs to be appointed
3. An estimate of the time required to make a decision.

If the insurer is not making a decision and not informing you whether further information is required or why there is a delay:

- send a letter to the insurance company, or
- call the insurance company and make a note of the call.

For more information see:

- [Request for progress on claim after insurer's failure to reply](#) sample letter generator on our website
- [Letter of complaint to Insurance Code Compliance](#) on our website.

Note: Keep records of your attempts to contact your insurer! To find the insurance company complaints contact details, see:

- [Find a financial firm or superannuation fund](#) on the [Australian Financial Complaints Authority \(AFCA\) website](#).

If you do not get a response, you can make a complaint to the Australian Financial Complaints Authority (AFCA). You can make a complaint on the [AFCA website](#). For more information about delay see:

- [Insurance Dispute Resolution](#) on our website.

If you believe that you are being investigated, you should get legal advice. For further information on investigations see:

- [What can I do if I am investigated on an insurance claim?](#) on our website.
- [General Insurance Interview Checklist](#) on our website

If you still have questions about your insurer's investigation after reading our fact sheet, you can [email](#) or call the Insurance Law Service on 1300 663 464.

I'm in insurance claim limbo and the other party is getting sick of waiting! Sometimes you can find yourself in a situation where the other party or their insurer is chasing you for repayment while your insurer is still deciding whether to accept your claim. This can put you in a difficult situation: you must not to interfere with your insurer's right to deal with the claim, but you also don't want to just do nothing and let the other party run up costs, or even get a court judgment against you, while you are waiting for an outcome on your claim. After all, if your insurer rejects your claim, you will have to deal with the matter yourself. On the other hand, if your claim is accepted, you don't want to have done anything to harm your insurer's ability to run your case. If you are being pursued by the other party (or their insurer) while you are in "limbo" with your own insurer:

1. Ask the other party (or their insurer) to give you more time for your claim to be processed. Make sure they have your insurance details, and know that you have made a claim and are awaiting a reply. Keep them updated if you make a complaint to your insurer's internal dispute resolution team or lodge in AFCA, as set out above – be careful not to admit fault or liability.
2. Make sure you tell your own insurer exactly what the other party (or their insurer) is saying or doing to you. Always tell your insurer ahead of time if you are going to communicate with the other party or their insurer, and give them an opportunity to respond.
3. If court action is threatened by the other party (or their insurer), request an urgent response from your insurer. If your insurer still does not act, you may need to lodge a dispute in AFCA against your own insurer (but note this will not stop the other party or their insurer from chasing you in the meantime). Consider getting legal advice urgently.
4. If you receive a Statement of Claim or other court paperwork from the other party or their insurer, you only have 28 days to respond and should get legal

advice immediately.

For legal advice you can:

- [email](#) or call the Insurance Law Service on 1300 663 464
- contact LawAccess NSW on 1300 888 529
- To find a private solicitor, go to the [NSW Law Society](#)
- If you have limited means, you can also contact your local [Community Legal Centre](#)