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## **Gunnedah resident takes on insurance company and wins payment for storm damage**

A local Gunnedah resident has struck a blow for homeowners in flood devastated Queensland, NSW and Victoria after winning a major legal battle against an insurance company that refused to pay for storm damage to his home.

Mr Pat Hennessy has been awarded substantial damages after taking his insurance company, Elders Insurance Limited, to court for refusing to pay for damage caused to his Edwards Street home in November 2008 when rainwater swept through the property during the most intensive storm to ever hit the town.

The decision could have implications for thousands of homeowners who are now facing flooding as water flows into NSW from Queensland after the recent storms and also in the Riverina and in Victoria, particularly around Shepparton following storms over the past week.

Mr Hennessy put a claim in to his insurer when the eastern side of his house dropped after water inundated the foundations. Elders Insurance Ltd rejected the claim saying the damage was caused by ground water not storm water and that the house dropped because of gradual subsidence of the soil rather than the storm event.

Mr Peter Long, Slater & Gordon Practice Group Leader in Gunnedah, who represented Mr Hennessy, said the win was a victory "for the man in the street".

"Insurance companies are happy to collect premiums but when it comes time to paying out they often duck for cover," Mr Long said

"It is a tragedy that wealthy insurance companies with deep pockets make people like Mr Hennessy go through protracted legal proceedings simply to get the cover they paid for."

Mr Hennessy commenced legal proceedings against Elders Insurance Ltd in the Local Court at Gunnedah in June 2009 and his claim was heard on 4 February 2010.

Magistrate Connell delivered judgment on 4 March 2010 in favour of Mr Hennessy and found that the damage to Mr Hennessy's house was covered by his policy with Elders Insurance Ltd.

Mr Hennessy said he paid premiums each year when Elders Insurance asked him to but they refused to pay for the storm damage when it came time to pay out.

"Since early last year, I have been waiting for Elders to honour its obligations under my insurance policy," Mr Hennessy said.

"It is such a relief to see that the Court has agreed with me and that I can now get the house fixed. It is a great victory for small business against such a large company."

### **Media inquiries**

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