

SOMETHING IN THE AIR



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When should an insurer think about seeking declaratory relief and when should it think about disputing an insured's application for declaratory relief?

The presentation will begin with an overview of 'declarations' generally and then discuss 'declarations' in the insurance context, including the following example, which might cause an insurer to think about applying to a court for declaratory relief.

Tim and Tam run a smash repair business from a factory unit they own in Osborne Park. They insure the premises and the business with the Great Australian Insurance Company Ltd ("GAICL") under a General Property Damage policy.

The policy contains the following Exclusion:

This Policy does not cover damage to Property while You keep or store at the Premises more than 200 litres of flammable or combustible liquids, solvents or other substances.

Tim and Tam make a claim on the Policy for fire damage to the premises and everything in it. GAICL estimates the claim is worth about \$3.5 million. At the time of the fire, there was a drum containing 250 litres of petrol at the back of the unit. The drum belonged to Kevin, a friend of Tam's who had dropped it off a week before the fire. He had intended to pick it up the day before the fire but had not got around to it. He needed the petrol for his truck driving business. The consensus of the fire investigators is that the petrol in the drum was somehow involved in the start of the fire. GAICL denies the claim, amongst other things, based on the Exclusion.

Should GAICL wait for Tim and Tam to sue it and defend the action to trial? Or should it be proactive and apply to the Court for a declaration that the policy does not respond because of the Exclusion?

This session will be chaired by: **JUSTINE SIAVELIS** Principal | Gilchrist Connell

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**LIVE
WEBINAR**
1:00pm –
2:00pm
WST

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