



Association of Insurance Building & Engineering Consultants

AiBEC Standard

EXPERT REPORTS
BEST PRACTICE

GUIDELINE FOR
INSURERS &
FACTSHEET

JULY 2025



OVERVIEW

This factsheet provides guidance on engaging and instructing experts, in line with the Association of Insurance Building and Engineering Consultants (AiBEC)'s submission to the Insurance Council of Australia (ICA) on Expert Reports Best Practice Standards (2024). It is designed for insurers and their representatives (e.g. loss adjusters) who commission expert reports under the General Insurance Code of Practice (GICOP).

The guidance is organized into three sections:

1. Types of experts and AiBEC's tiered expertise structure,
2. Best practices for providing instructions to experts (including event-specific guidelines), and
3. Minimum requirements for compliant expert reports. Relevant standards from the ICA's Use of Expert Reports: Industry Best Practice (Aug 2024) and the GICOP are referenced where appropriate.



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1. Expert Types and Tiers

Insurers must ensure they engage the right type of expert for the specific claim issues at hand. Selecting a relevantly qualified expert not only meets best practice and GICOP obligations but also improves claim outcomes.

AiBEC recommends a tiered structure for expert engagement, distinguishing between Tier 1 (Master – Expert Evidence & Witness), Tier 2 (Professional – Expert Reports), and Tier 3 (Fundamental – Trade-Qualified Specialist Reports).

Why Tiering Matters: Aligning the expert's tier with the claim's complexity ensures proportionate expertise and cost. Routine technical assessments (e.g. a leaking pipe, minor roof damage) can often be done by Tier 3 trade specialists cost-effectively, whereas multifaceted losses (structural failures, geotechnical issues, disputed causation) warrant Tier 2 Professional reports. Reserve Tier 1 Masters for litigation or exceptionally complex cases – these experts must have the experience and credentials to withstand courtroom scrutiny and legal obligation to adhere to the expert witness code of conduct.

Always confirm the expert's qualifications and professional memberships; for example, ensure the expert has relevant licenses or engineering Chartered status for the discipline required, and is bound by a Professional Code of Conduct (AiBEC members adhere to AiBEC's Code of Professional Conduct). Engaging the appropriately qualified expert at the outset supports compliance with GICOP's mandate to use qualified, objective external experts.

In general, most routine or complex claim assessments will use Tier 2 professionals (qualified engineers or technical specialists) to provide objective expert reports.

Tier 1 experts are typically the same professionals acting in a legal/dispute context (e.g. providing expert evidence in court) and must meet higher standards (expert witness code of conduct).

Tier 3 experts are trade specialists or essential services/first responders (e.g. licensed builders, plumbers, electricians, fire brigade or police) engaged for lower complexity or high-volume claims, such as straightforward damage assessments that do not require an engineer.

The table following defines key expert types and their typical roles, limitations, and tier alignment:

Table 1: Tier 2 Experts

Definitions, Limitations, and Scope

Expert Type	Role and Areas of Expertise (Insurance Context)	Limitations (Scope Boundaries)	AiBEC Tier
Structural Engineer	A qualified engineer specializing in the integrity of load-bearing structures (buildings, foundations, frames). In insurance, they assess structural damage, stability, and necessary structural repairs after events (e.g. storms, impacts, earth movement). They identify structural failures, design defects, or collapse risks and recommend remediation to restore structural safety.	Focuses on structural elements, cause and extent of damage; not an expert for geotechnical soil analysis, electrical/mechanical systems, or non-structural causes. May require input from geotechnical engineers for soil/foundation issues.	Tier 2 (Professional) Tier 1 if providing expert evidence in legal disputes.
Civil Engineer	A broad-based engineer focusing on siteworks and infrastructure. In claims, they address issues with site drainage, earthworks, retaining walls, pavements, or other civil works impacting the property. They may evaluate how site conditions (grading, stormwater, utilities) contributed to damage (e.g. flooding, subsidence) and assess code compliance of civil works.	Generally, does not design building structures (Structural Engineer's role) – overlap exists, but Civil Engineers concentrate on site and infrastructure aspects. Not typically engaged for detailed building structural failures. Complex structural issues should defer to a Structural Engineer; soil issues to geotechnical specialists.	Tier 2 (Professional)
Geotechnical Engineer	A specialist in soil mechanics and ground conditions. In insurance contexts, they investigate subsidence, foundation movement, landslide risk, or earth settlement issues contributing to building damage. They provide soil reports, analyse ground stability (e.g. prolonged water ingress), and recommend foundation remediation.	Limited to subsurface/geological aspects; they do not design structural elements of the building (but inform Structural Engineers about ground capacity). Typically, not needed for above-ground issues (e.g. wind damage, fire damage) unless ground conditions are suspected causes.	Tier 1 if providing expert evidence in legal disputes. Tier 2 (Professional) May be consulted as part of a Tier 2 team; could serve as Tier 1 witness on geotechnical causation in disputes.
Material / Mechanical Engineer	An expert in mechanical systems and equipment. They assess failures or damage in systems such as HVAC (heating, ventilation, air conditioning), boilers, elevators, manufacturing equipment, and other machinery. In insurance claims, they determine the cause of mechanical or equipment failures (e.g. HVAC collapse, boiler explosions, machinery breakdown) and whether it resulted from insured events (like power surge, impact, malfunction). They also recommend repairs or safe operation measures for the mechanical systems.	Not an expert in structural integrity or civil works. Does not typically address electrical wiring issues (unless related to mechanical controls) or plumbing design (covered by Hydraulic Engineers). For cause of fires or explosions, might work alongside Fire Investigators or Electrical Engineers if the root cause is electrical or chemical.	Tier 2 (Professional) Occasionally Tier 1 for complex litigation involving mechanical systems (product liability, major failures).
Hydraulic Engineer	In building industry terms, a "Hydraulic Engineer" specializes in fluid systems in buildings – i.e. water supply, sewerage, stormwater and drainage design. For insurance, they examine issues like plumbing failures, burst pipes, drainage system overflows, or roofing/guttering performance in storms. They can determine if water damage was due to system design/capacity issues or maintenance problems. They also advise on compliant reinstatement of plumbing and drainage systems.	Focuses on the design and capacity of liquid conveyance systems; not to be confused with a hydrologist. A Hydraulic Engineer's scope is usually limited to the property's internal/external plumbing and on-site drainage – they would not model flood rivers or large-scale catchment hydrology. Extensive flood extent analysis or rainfall-runoff modelling would require a Hydrologist.	Tier 2 (Professional) Tier 3 (Fundamental) if a licensed plumber or roofing specialist is engaged for simpler assessments (e.g. a plumbing trade report for a minor leak).

Table 1: Tier 2 Experts

Definitions, Limitations, and Scope

Expert Type	Role and Areas of Expertise (Insurance Context)	Limitations (Scope Boundaries)	AiBEC Tier
Hydrologist	A scientist/engineer expert in water flow, rainfall and flooding. Hydrologists analyse storm events, flood levels, and water pathways affecting a property. In claims, they determine if flooding or water ingress was caused by an insured weather event (e.g. analysing if rainfall exceeded infrastructure design capacity) and map flood extents and frequencies. They provide insight into flood recurrence (e.g. 1-in-100 year event) and whether damage was from overland flow, rising groundwater, or inadequate drainage.	Not a structural or building expert – a hydrologist will not opine on building construction quality. They provide no opinions on non-water-related damage. Insurers should not use (or instruct) a general builder in place of a qualified hydrologist for flood assessments. Hydrologists may need to work with Hydraulic or Civil Engineers if drainage infrastructure design is in question.	Tier 2 (Professional) Tier 1 if providing expert evidence in significant flood or water ingress disputes.
Electrical / Mechanical Engineering	A professional engineer specializing in electrical systems and circuitry. In insurance matters, they investigate electrical failures, fires, or lightning damage. For example, they might determine if an electrical fire was caused by wiring faults, assess surge damage to appliances, or evaluate whether lightning or power outages led to equipment failure. They also ensure any remedial electrical work meets safety standards.	Not a substitute for a licensed electrician when only basic repairs or inspections are needed – many minor electrical claims (like a simple short-circuit) might be handled by a trade electrician (Tier 3 report). Electrical / Mechatronics engineers focus on complex or large-scale electrical issues, or where an unbiased forensic analysis of cause is needed (e.g. in a fire investigation). They do not address structural damage or other mechanical systems.	Tier 2 (Professional) Tier 3 trades (electricians) may be engaged for straightforward electrical damage assessments; Tier 1 if formal expert testimony on electrical causation is required.
Building Consultant	Provide holistic assessments of building condition, damage diagnosis, and regulatory compliance in residential/commercial sites.	Not a replacement for discipline-specific engineers.	Tier 2 (Professional) Tier 1 if providing expert evidence in legal disputes.

Table 2: Tier 3 Experts

Definitions, Limitations, and Scope

Expert Type	Role and Areas of Expertise	Limitations	AiBEC Tier
Licensed Builder	Visual assessment of general building damage, defects, and reinstatement methods	Not qualified for structural engineering opinions or forensic causation	Tier 3
Licensed Plumber	Assess leaks, pipe bursts, drainage backups, fixtures, and fittings	Cannot conduct hydraulic modelling or design	Tier 3
Licensed Roofer	Inspect roof coverings, flashings, guttering, and signs of damage	Not suitable for structural failure or wind uplift calculations	Tier 3
Licensed Electrician	Determine causes of electrical failures, fire due to wiring, power surge impacts	Not qualified for engineering-level system analysis or lightning impact causation	Tier 3
Pest/Timber Inspector	Identify termite activity, timber decay, infestation-related damage	Cannot opine on structural adequacy or building code compliance	Tier 3
Waterproofing Specialist	Assess failures in membranes, showers, balconies, and exterior wet areas	Not suited for structural assessments or stormwater capacity analysis	Tier 3
Hygienist	Assess biological or hazardous contamination (e.g. mould, asbestos) and provide safe remediation guidelines	Not qualified to recommend structural repairs or reinstatement scope	Tier 3
Restorer	Deliver restoration services following fire, flood, or mould (cleaning, drying, material salvage)	Not authorised to assess structural adequacy or determine causation	Tier 3
Fire Authority	They examine where and how a fire started and potential causes of the fire. Provide initial observations.	Not qualified to determine causation and do not have engineering expertise.	Tier 3
Police	Investigate incidents (i.e. fires) that are suspicious in nature. Provide initial observations.	Not qualified to determine causation and do not have engineering expertise.	Tier 3

2. Best Practice for Providing Instructions

Once the right expert is selected, the quality of instructions provided to them is critical. Clear, complete, and unbiased instructions will lead to a more useful expert report.

The Insurer (or their agent) should prepare written instructions to the expert that include all relevant information, define the scope of the assessment and deliverable. Key best practices for briefing experts are:

1. Provide Full Background and Evidence:

Supply the expert with all pertinent claim details and evidence. This includes the date and description of the loss event, the policyholder's account of what happened, any photos or videos (e.g. CCTV, phone footage), prior reports (e.g. initial builder or adjuster assessments), maintenance records, etc.. Under the ICA's standard, customers should be allowed to provide additional information to ensure the expert has the complete picture. Avoid "surprising" the expert later with info – upfront disclosure leads to a thorough, factual investigation.

2. Define Questions and Scope Clearly:

Explicitly state what questions the expert should answer or what issues to address. The scope might include determining the cause of damage, the extent of damage, whether damage is consistent with the reported event, whether any pre-existing factors contributed, and recommendations for repair. Be specific (e.g. "assess whether the cracking in walls was caused by the <Date> earthquake or by pre-existing settlement"). However, do not ask the expert to opine on policy coverage decisions – for instance, do not instruct them to say if the claim should be accepted or denied. Their role is to provide technical findings and opinions on causation, extent, etc., within their field of expertise. Insurers should disregard any volunteered opinions outside the expert's scope (for example, a hydrologist guessing on building defects, or an engineer commenting on claim liability).

3. Address Customer Vulnerabilities and Special Considerations:

If the Insured customer has any known vulnerabilities or special needs (e.g. disability, trauma, language barriers), tailor the instructions accordingly. For example, instruct the expert to liaise through an interpreter if needed, or to schedule site visits with sensitivity to the customer's circumstances. The GICOP emphasizes understanding customer vulnerability when appointing and instructing experts.

Additionally, note any site safety issues or access constraints in the brief (e.g. "fire-damaged structure with asbestos/chemical contamination, access only with proper PPE," or "area under police control until X date").

4. Invite Communication (Reverse Briefing):

Best practice includes a "reverse brief" – encourage the expert to confirm they understand the instructions and to seek clarification if needed. Open a channel for the expert to contact the instructing officer/assessor in case the scope needs adjusting (for example, if on site they discover additional issues beyond the original brief). This ensures the expert's report will squarely address the needed questions. Document any changes to instructions in writing (via email or an updated letter of instruction).

5. Neutral and Objective Tone:

The instruction letter should be neutral in tone – avoid leading the expert toward a particular conclusion. Provide facts and queries, not conclusions. For example, rather than "We believe this is wear and tear – confirm this," ask "Determine the cause of the observed damage and whether it is related to the reported event or other factors." This aligns with the requirement that expert reports be objective and evidence-based. The expert should explicitly include a statement of objectivity in their report, so the instructions can remind them of this obligation (though reputable experts will do so as a matter of course).

6. Event-Specific Instruction Guidelines:

Different loss events call for different emphases in expert instructions. Below are recommendations for various claim types to ensure the expert's investigation is properly directed. (Multiple experts might be needed for complex claims – e.g. both a hydrologist and an engineer for a flood claim – in such cases, tailor instructions for each expert's role.)

Table 3: Instruction Matrix by Event Type

Expert Type	Role and Areas of Expertise	Limitations
Fire	"Reported origin and date of fire Fire brigade reports (if available) Any documents including photos/videos and evidence available on file"	"Identify fire-induced damage and its extent Assess structural integrity of affected areas Advise whether damage is repairable or it is deemed as a total loss Advise on required upgrades to achieve a warrantable repair Recommend make safe works Recommend additional experts required Recommend reinstatement method Provide high level cost estimate for repair or replacement (if deemed as total loss)
		Provide high-level or detailed scope of works"
Vehicle Impact	"Date/time of impact Vehicle type Point of impact Whether the vehicle is removed Any documents including photos/videos and evidence available on file"	"Identify impact -induced damage and its extent Assess structural integrity of affected areas Advise whether damage is repairable on a like-for-like basis Advise on required upgrades to achieve a warrantable repair Recommend make safe works Recommend additional experts required Recommend reinstatement method
		Provide detailed scope of works"
Tree Impact	"Date/time of impact Point of impact Whether the tree is removed Any documents including photos/videos and evidence available on file"	"Identify impact -induced damage and its extent Assess structural integrity of affected areas Advise whether damage is repairable on a like-for-like basis Advise on required upgrades to achieve a warrantable repair Recommend make safe works Recommend additional experts required Recommend reinstatement method
		Provide detailed scope of works"
Storm (Heavy Rain)	"Date of storm Areas of concern Whether make safe is completed Any documents including photos/videos and evidence available on file"	"Identify point/source of ingress Determine cause (storm vs maintenance) Advise whether damage is repairable on a like-for-like basis Advise on required upgrades to achieve a warrantable repair Recommend make safe works Recommend additional experts required Recommend reinstatement method
		Provide detailed scope of works"
Storm (High Wind)	"Date of storm Areas of concern Whether make safe is completed Any documents including photos/videos and evidence available on file"	"Inspect for wind-induced damage Determine failure mechanism Evaluate construction adequacy Inspect for water damage and its cause (storm vs maintenance) Advise whether damage is repairable on a like-for-like basis Advise on required upgrades to achieve a warrantable repair Recommend make safe works Recommend additional experts required Recommend reinstatement method Provide detailed scope of works"

Expert Type	Role and Areas of Expertise	Limitations
Storm (Hail)	"Date of storm Areas of concern Whether make safe is completed Any documents including photos/videos and evidence available on file"	"Inspect for hail-induced damage Advise whether damage is repairable on a like-for-like basis Advise on required upgrades to achieve a warrantable repair Recommend make safe works Recommend additional experts required Recommend reinstatement method"
		"Inspect for wind-induced damage Inspect for water damage Determine failure mechanism Evaluate construction adequacy Inspect for water damage and its cause (storm vs maintenance) Advise whether damage is repairable on a like-for-like basis Advise on required upgrades to achieve a warrantable repair Recommend make safe works Recommend additional experts required Recommend reinstatement method Provide detailed scope of works"
Storm (Cyclone/ Tornado)	"Date of storm Areas of concern Whether make safe is completed Any documents including photos/videos and evidence available on file"	"Inspect for any reported damage Document deliberate damage Compare with pre-existing issues Advise whether damage is repairable on a like-for-like basis Advise on required upgrades to achieve a warrantable repair Recommend make safe works Recommend additional experts required Recommend reinstatement method Provide detailed scope of works"
Vandalism	"Date of event Areas of concern Police report Any documents including photos/videos and evidence available on file"	"Identify point/source of water damage Determine cause (storm vs flood) relative to flood level Advise whether damage is repairable on a like-for-like basis Advise on required upgrades to achieve a warrantable repair Recommend make safe works Recommend additional experts required Recommend reinstatement method Provide detailed scope of works"
Flood	"Date of event Areas of concern Flood depth/duration and ingress route if known/reported Whether property is accessible Any documents including photos/videos and hydrologist report available on file"	"Provide details of the claimed earthquake and geoscience information Identify earthquake -induced damage and its extent Assess structural integrity of affected areas Advise whether damage is repairable on a like-for-like basis Advise on required upgrades to achieve a warrantable repair Recommend make safe works Recommend additional experts required Recommend reinstatement method"
Earthquake	"Date of event Magnitude and/or epicentre if known (especially if multiple historical earthquakes occurred in the area) Any documents including photos/videos and hydrologist report available on file"	

Detailed Instruction by Event Type

Fire Damage:

Provide any fire brigade or fire investigator reports if available, and state the known origin of fire (if known) or whether cause determination is needed. Instruct a structural engineer (or fire forensic expert) to assess the structural integrity and extent of fire damage to the building, and identify if any structural elements need emergency make-safe or demolition for safety. Request an opinion on the likely cause only if within the expert's remit (electrical engineers for electrical fires, fire investigators for origin and cause). Otherwise, focus on damage assessment – e.g. "Determine which building elements have been structurally compromised by the fire and outline recommended repairs or rebuilding scope." Ensure the expert comments on whether any pre-existing issues affected the fire's spread or damage (e.g. non-compliant fire walls). If the policy has specific conditions (like a requirement to rebuild to current code), you may ask the expert to note if certain repairs will require code upgrades. Always clarify that removal of fire debris and hazardous materials (e.g. asbestos) should be noted if relevant.

Vehicle Impact:

Include details such as the date and time of impact, what type of vehicle (if known) and what part of the building was struck. The instructions to a structural engineer should be to inspect the impact area for structural damage, determine if the building remains safe to occupy, and specify the necessary remedial works to restore it. Ask the expert to identify any collateral damage (e.g. cracks in opposite walls from shock, misalignment of roof or floors) and to distinguish new impact damage from any prior existing damage. If available, provide photos from immediately after the incident and any information on the vehicle's size or speed (for force estimation). If the claim involves a third-party driver at fault, the expert's description of damage can be used for recovery – so ensure they document the impact mechanics clearly. (No need for the expert to comment on liability; just facts of damage.) For structural elements, instruct whether a detailed scope of works for repair is needed as part of the report or separately.

Tree Impact:

Provide the circumstances (e.g. "During a storm on X date, a large eucalyptus tree fell onto the insured's roof"). Identify the tree's location (if still present) and size/species if known. Instruct the expert (often a structural/building consultant) to assess damage caused by the tree impact, including roof structure, framing, wall cracks, etc. Have them check if the impact caused any shifting in foundations or if tree roots are impacting underground services. If the tree is still on site, clarify if they should comment on its removal. Key questions: "Were the damages caused solely by the tree impact? Are there any pre-existing structural or rot issues that made the structure more susceptible?" Also, if there's debate about cause (wind vs root failure), a structural engineer might defer to an arborist for the tree's failure

cause – but you can instruct them to note observations (e.g. "root ball was shallow" or "trunk showed signs of rot") without straying beyond their expertise. As with vehicle impacts, ensure they advise on immediate safety (does a damaged roof need propping or tarp).

Storm Damage – High Rainfall: When heavy rain leads to internal water damage or roof leaks, instructions should focus on determining the entry point and cause of water ingress. Provide the date and known storm details (rainfall amount, duration, any Bureau of Meteorology data if available). Ask the expert (could be a building consultant, hydraulic engineer, or roofer) to inspect roof coverings, flashings, gutters, and drains for failure points. Instruct them to differentiate between storm-caused damage (e.g. gutter overwhelmed by extreme rain, storm-caused opening in roof) versus maintenance or design issues (e.g. blocked gutters, deteriorated roof seals). For instance: "Identify how rainwater entered the property and whether this resulted from storm conditions exceeding design capacity or from lack of maintenance (such as blocked gutters or roof in poor condition)." If the policy excludes damage from pre-existing defects or lack of upkeep, ensure the expert comments on the condition of relevant building elements (roof, seals, drains) and notes any evidence of long-term leakage versus sudden damage. Also, instruct whether mould assessment is needed for prolonged water ingress. If applicable, have the expert comment on compliance of the drainage system – e.g. was it constructed to code or undersized – but primarily focus on proximate cause (storm vs. other factors).

Storm Damage – High Wind:

Provide details of the wind event (e.g. "extreme wind gusts of ~100 km/h on X date as per meteorological reports"). The expert (usually a structural engineer or building consultant) should examine all wind-exposed elements: roof cladding, rafters/trusses, windows, cladding, fences, etc. In instructions, ask them to document wind-caused damages (missing shingles, broken roof sheets, damaged windows, uplifted roof structure) and to note if the failure was likely due to wind intensity exceeding design or if any construction weaknesses contributed. For example: "Assess if the roof damage observed is consistent with the reported wind event, and whether the building's construction (tie-downs, fixings) was adequate under normal conditions." For high winds, also consider wind-driven rain – instruct the expert to check if water ingress came through wind-damaged openings. Specifically request they check for any pre-existing deterioration that might be mistakenly attributed to the storm (for instance, long-term wear that was not caused by the storm). However, if the storm was severe, design or construction faults might be less relevant – e.g. even a well-built roof can lose shingles in a cyclone. (In fact, for events like cyclones or tornadoes, experts often confirm that damage was event-driven and not due to prior faults.) Still, best practice is to have the expert note any non-storm damage or code issues they observe, while focusing on the storm's impact.

Storm Damage – Hail:

Indicate the hail event date and, if possible, hailstone size (“golf ball sized hail reported”). Instruct the expert (often a building envelope specialist or engineer) to inspect roofs, gutters, siding, AC units, solar panels, etc., for hail impact damage. They should document the density and distribution of impacts (e.g. dents in metal gutters, cracked tiles, shattered skylights). Ask them to determine if the hail penetrated the roof or led to subsequent water ingress. An important instruction is to confirm whether observed wear (like rusted metal or previously cracked tiles) existed before the hail: “Distinguish damage caused by hail from any pre-existing deterioration or unrelated damage.” If policy coverage depends on hail intensity, you might have them note the orientation of damage (e.g. only one side of roof hit, consistent with storm direction). Hail damage typically has a distinct signature that a trained expert can identify, so ensure they provide photographic evidence in the report. If internal damage occurred, ask them to link it: e.g. “confirm if water ingress to the ceiling resulted from hail-caused roof openings.”

Storm Damage – Cyclone:

Cyclones combine extreme wind and rain. Instructions should be comprehensive: provide the cyclone category, wind speeds, and note that the property is in a cyclone-prone region (if applicable). Instruct the expert (structural engineer) to conduct a holistic structural assessment of the property – roof structure, connections, walls, windows/doors, and even foundation if any uplift occurred. They should evaluate if the building’s design met the required wind ratings for that region and era, and document the cyclone-induced damage. Because cyclones can cause widespread destruction, also ask the expert to check for storm surge or flood effects if the property is coastal (sometimes a separate hydrologist or engineer might handle flood aspects). Key points: “Detail all damage attributable to the cyclone’s winds or rain, and note any failures of structural components. Indicate if the level of damage suggests the building experienced wind loads beyond its design, or if any construction shortcomings (e.g. missing cyclone straps) exacerbated the damage.” However, as per best practice, if an extreme event like a cyclone is the clear cause, the expert’s role is not to fault-find normal construction (unless a particular construction defect caused disproportional damage). They should mainly confirm that the damage is consistent with the cyclone and not due to unrelated causes. If codes require certain post-cyclone rebuild standards, you may instruct them to mention upgrade requirements (e.g. roof to be rebuilt to current cyclone code).

Storm Damage – Tornado:

Tornado impacts are usually very concentrated. Provide any evidence of the tornado’s path if available. The expert should check for the distinctive signs (tornadic winds can literally “twist” structural elements). Instructions similar to cyclone/wind: “Assess structural and exterior damage caused by the tornado. Identify the path of damage through the property (if evident) and whether the destruction is consistent with tornadic winds versus other causes.” Often, if a tornado hit, causation is evident; the expert’s focus will be documenting severity. Ensure they inspect all affected areas, as tornado winds can cause unusual damage like debris impalement – instruct to document such findings. As tornadoes are high-intensity, again the expectation is event-caused damage; instruct them to note any additional factors only if relevant.

Vandalism or Malicious Damage:

Describe the nature of vandalism (e.g. “insured property was maliciously damaged – walls smashed and fixtures broken by intruders on X date”). The expert (which could be a building consultant or engineer depending on severity) should verify the extent of damage and consistency with vandalism. In instructions, request: “Document all damage that appears to result from intentional acts (and describe the likely mechanisms, e.g. kicked in door, graffiti, fire set to furniture). Distinguish this from any pre-existing damage.” If there’s a question of what repairs are necessary, ask for a scope of works to restore the property. If the vandals caused a fire or flooding (e.g. arson or leaving taps running), you might need multiple experts (fire investigator, etc.). Emphasize that the expert should not speculate beyond the evidence – their role is to describe damage and possible tools or force used, not to investigate criminal responsibility. However, their findings can support the claim by confirming it was not wear-and-tear. For example, instruct them to note if broken items were old or if damage patterns show multiple incidents vs one event. If relevant, provide any police report or forensic info to inform their inspection.

Contract Works & Third-Party Damage:

These claims involve damage on construction sites or damage caused by contractors. Provide the expert (often a building consultant or engineer with construction experience) with the construction context – project scope, stage of works, and how the damage occurred (e.g. “excavator from adjacent site caused collapse of our insured’s retaining wall” or “partially built extension was damaged by storm”). Instructions: “Assess the damage in the context of the works. Determine the cause and mechanism of failure – was it due to contractor activities, third-party actions, or external events? Evaluate if construction methodology or any code non-compliance contributed.” If it is a third-party claim (subrogation potential), emphasize documentation of how that party’s actions led to damage. For example, “Provide your expert opinion on whether the collapse was caused by the neighbour’s excavation undermining the footing.” Include any relevant drawings or engineering plans for the project if available, so the expert can check if work was per design. Also instruct them to comment on any defects in the work that might have made the damage worse (e.g. improper temporary bracing at a site that blew down in wind – was the bracing inadequate?). Essentially, the expert should separate what damage is attributable to the insured event vs. what might be normal construction risk or error. If the claim is under a Contract Works policy, they should outline the necessary rectification method within the contract scope. For third-party liability claims, they might also be asked to attend joint inspections – mention if any coordination with other experts or parties is expected.

Flood (Rising Water) Damage:

Provide flood specifics – date, duration, depth of water entered, any official flood info (like river gauge heights). The expert(s) could be a hydrologist (for cause) and/or a building consultant/engineer (for damage). Key instructions for the hydrologist: “Determine the source and extent of flooding: was it overland flow, riverine flooding, flash flood from heavy rain, or a combination? Compare the event to historical data (e.g. a 1-in-50-year flood) and confirm if this event was unprecedented or within known risks.” For the building expert: “Inspect and document the water damage to building and contents. Identify the high-water mark inside the property and how long flooding lasted. Assess structural elements (foundations, walls) for

any undermining or structural stress due to water or debris.” Also instruct to check for contaminants (sewage in floodwater) and note materials that require removal (plasterboard, insulation, etc. typically must be replaced above the flood line). If the property is in a flood zone, you might ask the expert to opine whether any design measures (e.g. raised floor, flood vents) were present or would have mitigated damage – though this edges into risk assessment rather than claim cause. Make sure the expert distinguishes flood damage from pre-existing water damage (if any) by looking at water staining patterns, etc. Since flood is often an excluded peril unless specifically covered, clarity here is vital. If stormwater versus flood distinction is needed (for coverage), provide definitions and ask the expert to characterize the water entry (e.g. “came through doors from flash flooding vs seeped from ground”). Their report should stick to facts like water depth and entry points. Finally, instruct if a scope of repair is needed (many flood claims involve strip-out, drying, decontamination – the expert can outline these steps).

Accidental/Impact Damage (Miscellaneous):

This covers a range of one-off accidents (e.g. someone accidentally drove a forklift into a column, a DIY mishap causing damage, a collapse of a structure due to an accident not weather-related, or an “escape of liquid” like overflowing bathtub, etc.). The instruction should clearly describe the incident. For example: “Insured reported an accidental overflow of the bathtub on 5 Jan, causing water damage to kitchen below.” Then ask the expert to confirm causation and extent: “Determine how the accident caused the damage observed and outline the resultant damage that requires repair.” In escape of liquid cases, the expert (often a hydraulic/plumbing specialist or building consultant) should trace the path of water and check for any construction issues (did a failure of a plumbing component cause it?). In physical impact cases (non-vehicle, e.g. object falling), instruct a structural or appropriate expert to similarly check structural implications. Essentially, focus the expert on demonstrating the link between the accidental event and the damage, to avoid any ambiguity. If the accident might have uncovered a pre-existing issue (for instance, the floor was already rotten before the overflow), ask the expert to note that. Provide any evidence (photos, statements) of the accident’s immediate aftermath. The expert should be told if there’s suspicion of non-accidental causes so they can be on the lookout (though careful not to bias them – phrasing could be, “Please verify that the damages are consistent with the described accident and not due to unrelated causes”).

Earthquake:

Give details of the earthquake event – date, time, magnitude, epicentre location. The structural engineer’s instructions will be to inspect the entire structure for earthquake-related damage: cracks in walls, settlement, deformation, etc. Request that they map out which cracks or damage appear fresh and attributable to the quake, versus any old/existing cracks. For instance: “Identify all structural damage caused by the earthquake and differentiate it from any pre-existing cracking or building movement not due to this event.” They should also assess if the building is safe or if any immediate bracing is required. Provide any seismic reports if available (ground acceleration data) which can help the expert correlate damage patterns. Ask them to comment on whether the observed damage is typical for the intensity of the quake and the building construction. Earthquake claims often hinge on pre-existing vs new cracks, so a thorough documentation is needed – instruct them to provide detailed descriptions and photos of representative damage. If the building codes have earthquake design requirements, the expert might note if the building predates such codes or if any structural weaknesses contributed (though again, earthquake is a sudden external event – not usually a case for finding “fault” in construction, except to explain why damage happened). If any portion looks like it could collapse, instruct to highlight that for safety. As with others, a scope of repair can be requested if needed.

Note: For all the above events, instruct the expert to take plenty of photographs and include relevant diagrams (site sketch, floor plan marking damage, etc.) in their report. This visual evidence is crucial for both the Insurer and the Insured to understand the findings. Also, consider whether multiple experts are needed – if so, coordinate instructions so each expert knows the limits of their inquiry (e.g. the hydrologist will address flood cause, the building consultant will address building damage). This avoids overlap or gaps.

Finally, confirm expected timelines and format: the instruction should request the report by a certain date if needed, and clarify if any preliminary verbal updates are required (e.g. if urgent structural issues are found, the expert should call immediately). By following these best practices in issuing instructions, Insurers will facilitate high-quality, timely, and unbiased expert reports – as required under the ICA standards

3. Minimum Expert Report Requirements

A compliant expert report should follow a structured format and include certain key components so that it meets industry best practice and the GICOP's expectations. AiBEC's submission highlighted the need to "benchmark the minimum reporting inclusions and requirements" across the industry. Below is a summary of the essential sections and content that an expert's report should contain, aligned with the ICA's Use of Expert Reports standard and AiBEC's template for reports. Reports should be written in clear, factual language and plainly explain the expert's reasoning and conclusions. They must consider all relevant matters (and no irrelevant ones) and clearly substantiate any opinions with evidence. Every report should also include a statement of the expert's objectivity and their qualifications. The typical report structure is as follows:

Key inclusions:

1. Principal/Client and Insured details
2. Address and inspection details
3. Clear statement of instructions
4. Property and claim background
5. Documents reviewed
6. Observations with photos/diagrams
7. Causation analysis
8. Commentary on maintenance
9. Commentary on Design and construction issues
10. Recommendations, scope of work
11. Recommendations for any additional experts
12. Conclusion and proximate cause
13. GICOP and ICA Use of Expert Reports: Industry Best Practice Standard compliance declaration
14. Acknowledgement of assessment limitations
15. Signatory details
16. Appendices (images, diagrams, data)

1. Principal/Client and Insured Details:

Begin with a cover page or header section that identifies all parties. This includes the party who commissioned the report (the Insurer or a loss adjusting firm, often labelled as the "Client" or "Principal"), the Insured customer and their property details, the claim reference numbers, the insurance company, and the site address of the loss. For example, the report header might list the Insured's name and address, the Insurer's name and claim number, and the Adjuster or instructing firm's name and reference. This establishes clearly who the report is for and about. It should also record the date of the report and often a unique report reference or job number for tracking. Including these details is important for transparency and for later reference by any party reviewing the report.

2. Inspection Details:

State the date(s) the site inspection was conducted, the time (especially if relevant, e.g. lighting conditions), and who attended (the Insured, builder, etc. if applicable). Also note the type of inspection (visual, non-invasive, or any tests performed). For example: "Site Inspection: 11 September 2025 – 3:00 PM, attended by our Engineer and the Insured". If multiple inspections or follow-ups occurred, each should be documented. This section confirms when and how the expert gathered firsthand information.

3. Instructions:

The report should explicitly recite the instructions given to the expert. A common practice is to quote the relevant portion of the instruction letter or request email. For instance, the report might say: "Thank you for your instruction dated 11 August 2025 to inspect and report on the following: 'Please attend site to provide a structural report and a detailed scope of works for reinstatement.'" By including this, the report makes clear the scope of work the expert undertook. It ensures that all readers (Insurer, Insured, any third party) know what questions the expert was asked to address. If there were any subsequent clarification or scope changes, the report should mention those too. This section basically frames the purpose of the report.

4. Claim and Property

Background: Provide an overview of the claim circumstances and basic description of the property. This often includes a general description of the building (construction type, age, size) and a summary of the reported incident or damage. For example, the report might describe the property as "a single-storey 1955 brick veneer dwelling with timber floor on piers and a tiled roof". It will then outline what happened (from the Insured's or records): e.g. "According to the insured, on 1 June 2025 a storm with heavy rainfall led to water entering the living room." It is good practice to state the Date of Loss (DOL) and source of that information. If the Insured provided an account on site, it can be noted ("From the Insured's advice, ..."). This section sets the

scene for the analysis – it tells the story of the property and the claim in question. It may also note any relevant site/location context (like “property is on a slope” or “area experienced widespread flooding”). Including a brief background ensures the report is self-contained and understandable without requiring external documents.

5. Documents and Information Received:

The expert should list what documents, reports, or information they were provided and considered. For example: “We acknowledge receipt of the following documents with respect to the claim and have reviewed them: builder’s inspection report dated 24 June 2025, photos supplied by insured, maintenance records from council, etc.”. If no supporting documents were given, the report should state that too (“We have not received any additional documentation with respect to this claim”). This transparency is important so that everyone knows what information the expert had at their disposal. If there were prior expert reports on the same issue, they might be listed here but note: best practice per ICA is that if an expert is given a prior report, it should be only after they do their own assessment to avoid bias. In any case, any external inputs should be enumerated. Sometimes this section might be titled “Documents Reviewed” or “Information Considered.”

6. Observations (Site Inspection Findings):

This is the core of the report where the expert documents what they observed on site. It is often structured with subheadings (e.g. External Observations, Internal Observations, Roof Space, etc., or by rooms/areas) to make it reader-friendly. The expert should detail the damage or conditions noted, ideally referencing locations and even marking them on a diagram or plan. Many reports include an annotated sketch or plan – for example, a figure showing the house floor plan with areas of damage highlighted. The observations section should stick to factual descriptions: e.g. “Cracking was noted in the brickwork above the garage door (Image 4), approximately 3mm wide.” or “Water staining on ceiling in living room directly below an upper floor bathroom.” It is helpful if each observation is linked to a photo (appendix images) or an in-text figure. For clarity, the report might first provide a general overview of affected areas (some templates include a schematic diagram as Figure 2 to show where damage is). Then it goes into detail. The language should be neutral and factual here. The expert might also note conditions like “No damage observed in other parts of the house.” or “Furniture had been removed prior to inspection, limiting observations in some rooms.” If any tests were done (moisture meter readings, floor level surveys, etc.), the results are noted. Essentially, this section is the factual foundation – the “evidence” – that the expert will base their analysis on. It should be thorough but not yet an analysis (analysis comes in the next section, though often observation and analysis blend a bit). For example, observations are followed by a “What occurred” and “What we expected to see” narrative that starts bridging into analysis. Some reports break out a separate “Discussion” section for analysis, others incorporate analysis with observations. In any format, the report must clearly lay out what was seen/not seen to support the conclusions.

7. Discussion/Analysis:

In this part, the expert interprets the observations and other evidence, providing their expert analysis of why the damage occurred and whether it relates to the claimed event. They connect the dots from

the factual observations to causation conclusions. For example, an engineer might discuss soil dryness, tree roots, and seasonal data to analyse foundation cracks. It is common to address various hypotheses: e.g. “We observed XYZ which is consistent with storm damage, and notably did not find ABC (which one would expect if it were long-term settlement).” The expert can cite standards, engineering principles, or past data here. If the instructions included reviewing another report or standard, this is where they will comment on those (e.g. “Review of the plumber’s report indicates a long-standing leak under the shower; our findings concur...” etc.). In more formal reports, there might be a section titled “Review of Provided Documentation” where the expert comments on any reports by others. The analysis should address each question in the instructions logically. Importantly, the expert should clarify if their opinion is firm or if there is any uncertainty (tentative) – although in final reports, a firm conclusion is usually expected, if they are unsure, they should say what additional investigation is needed. If multiple factors caused the loss, they should apportion or explain each. One critical aspect to include: a clear statement on causation – what caused the damage, and was it related to the claimed event or not. For instance, “In our professional opinion, the cracking in the walls is not storm-related but instead due to long-term foundation settlement (pre-existing).” Or “The hailstorm on 5 March 2025 directly caused the roof damage, allowing water ingress – this event is the sole cause of the observed ceiling stains.” The report should avoid jargon and stick to technical cause/effect reasoning. If the expert’s views differ from any prior report, they should explain why (per ICA guidelines). Sometimes the discussion section might explicitly be named Cause of Damage or Opinions. In any case, this analytic narrative is the heart of the expert’s value – it must be clear, logical, and based on evidence. They should also mention any relevant building codes or standards if analysing construction issues, and whether the building met those or not. If they do reference current codes for an older building, a disclaimer should clarify it is just for explanatory purposes, not to retroactively judge the old construction. Overall, the discussion translates the raw observations into a coherent explanation of what happened.

8. Maintenance and Contributing Factors:

A best-practice expert report will have a section discussing whether lack of maintenance or wear and tear contributed to the loss. Under the General Insurance Code and typical policy terms, if damage is due (in whole or part) to lack of upkeep, it is important to identify that. The report should list any observed maintenance issues relevant to the claim. For example: “Gutters were full of debris, which likely contributed to water overflowing into the eaves.” – if none are relevant, the report should state “No visual evidence of maintenance issues related to the claimed damage was noted.”. If there are such issues, the report should detail them and ideally discuss whether a reasonable property owner should have addressed them. Often, a table format is used for maintenance findings, covering: what the issue is, whether the Insured could reasonably have been aware of it, and how it actually contributed to the damage. For instance, the expert might note a long-standing roof leak that the insured neglected, which directly led to ceiling collapse – this would be identified clearly. Conversely, if an issue (like a hidden defect) would not have been observable by the Insured, the expert may note that it is not a reasonable maintenance item. The inclusion of maintenance discussion supports fair claims handling – Insurers use it to decide if any portion of damage is not covered due to lack of maintenance,

and it should be done objectively. Thus, every report should either list the relevant maintenance-related factors or explicitly state there were none affecting the outcome.

9. Design or Construction Deficiencies:

Similarly, the expert report should comment on whether any pre-existing design or construction faults contributed to the damage. In some cases (like vehicle impact, hail, fire, etc.), any building compliance issues are generally not causal – the event alone caused the damage. But in other cases (like a structural collapse during a moderate storm), underlying construction weaknesses might be a factor. The report should identify any such issues observed: e.g. “The extension’s foundation was undersized per today’s standards, which exacerbated the settlement.” However, the expert must tread carefully – if the building was built under older codes, they should note that it may not meet current codes but was not “non-compliant” when built. Many reports include a disclaimer that references to current codes are for explanatory purposes only, not to judge past work. If the expert finds no relevant construction/design fault that contributed, they should say so clearly (“No apparent design or construction fault was identified that would have contributed to the cause of the damage”). If they do find something, they should explain what impact it had. For instance, an engineer might note that lack of a retaining wall drainage caused water pressure buildup leading to a collapse. This section helps insurers understand if part of the loss results from an inherent defect (possibly not covered) or if upgrades are needed during repairs. It is also important for customer transparency – it explains whether the building itself had issues aside from the event.

10. Recommendations and Next Steps:

The expert should provide their professional recommendations, which often include the necessary remedial actions to rectify the damage. This can be a narrative description of repairs or a formal Scope of Works (SoW). If the instruction specifically asked for a detailed scope, it may even be appended as a separate section or document. The report should clarify if the scope covers like-for-like repair versus upgrade (the expert typically only specifies restoring to pre-loss condition unless asked otherwise). For example: “We recommend replacing the damaged section of wall and underpinning the footing at column C. A detailed scope of works is provided in Appendix B for tendering purposes.” If the cause was found not covered (say, wear and tear), the expert might recommend remedial work in principle but note that a full scope is not provided since it is not event-related.

11. Recommendations for Additional Investigation and Experts:

If further investigation is required (maybe the expert could not confirm something without another specialist or invasive inspection), they should recommend that here: e.g. “Recommendation: engage a Geotechnical Engineer to assess subsurface conditions” or “conduct destructive testing to confirm internal wall framing condition.” They should also advise if any urgent action is needed (e.g. temporary propping, isolation of electrical supply, etc.). Essentially, this part of the report tells the Insurer and Insured what to do next to resolve the issues. It is distinct from conclusions – it is more about practical steps.

12. Conclusion (Summary of Findings):

A concise conclusion should be given, summarizing the key findings on causation and relatedness to the claim. For example: “In

conclusion, the damage to the patio roof is, in our opinion, consistent with storm wind damage from the event on 1 June 2025, and not due to any pre-existing structural issues. The claimed event was the proximate cause of failure of the roof covering, allowing rainwater ingress that damaged the ceiling.” This kind of statement answers the fundamental question of the report – was the claimed event the cause, and what is the extent of damage from it. If some parts of damage are unrelated or pre-existing, the conclusion should clearly state that distinction (with rationale given in the discussion). The conclusion basically ties together the observations and analysis into the take-home message for the claim. It should be written in plain language as much as possible, since it may be read on its own by a customer or decision-maker. If the expert’s opinion is tentative on any point, they might reiterate that here with any conditions (e.g. needing another expert’s input). However, generally a firm conclusion is expected if the evidence is sufficient. This section is often brief – a few sentences or a short paragraph – because most detail is already covered. Its purpose is clarity.

13. Compliance Statement (GICOP and Best Practice):

It is now considered best practice for the expert to explicitly acknowledge their obligations under relevant codes. Many experts include a statement confirming that they have conducted their work in accordance with the General Insurance Code of Practice provisions for external experts and with the ICA’s industry standards. For example, an AiBEC-aligned report might state: “We advise that our assessment and this Report has been prepared in the spirit of compliance with the Insurance Council of Australia (ICA) General Insurance Code of Practice (GICOP) as it relates to External Experts, and the ICA’s ‘Use of Expert Reports: Industry Best Practice Standard’. As Professional Members of AiBEC, we also adhere to AiBEC’s Professional Code of Conduct.” Such a statement assures the reader that the expert knows their duty is to be impartial, factual, and fair – as required by GICOP. (The Code of Practice expects reports to be objective and that if a report is used to deny a claim, it will be provided to the insured, etc., so compliance is critical.) Including this also underscores that the expert understands the importance of their role in the claims process and aligns with industry best practices.

14. Closing Declaration:

The report should contain a closing section where the expert declares their independence and the limitations of their inspection. Typically, it will note that the inspection was visual and non-intrusive (unless otherwise stated), and that areas not inspected (because not instructed or inaccessible) are outside the report’s scope. It may also mention reliance on certain information (like “our opinions rely on the accuracy of information provided by others”). A strong closing statement often used: “We confirm our report has been prepared objectively and independently, based on qualified engineering assessment, factual evidence, and without prejudice.”. This provides assurance of the report’s integrity.

15. **Expert's Signature and Credentials:**

Finally, the report must be signed by the expert(s) who conducted and/or supervised the work. This includes their name, professional title, qualifications, and licenses. For example, the signatory block might look like:

- Inspected by: Jane Smith, B.Eng (Civil), MIEAust (Member of Engineers Australia) – Senior Structural Engineer
- Prepared by: [name], [qualifications] – [title]
- Reviewed/Approved by: *[name], [qualifications] – [title]

And so on, depending on the firm's internal QA. They may list chartered engineer status, registration numbers (e.g. if in states with engineer registration, or contractor license numbers for building consultants), and any relevant accreditations (like RPEQ, Chartered Professional Engineer, or membership in AiBEC, etc.). The expert's qualifications establish that the author of the report is indeed competent in the field – this ties back to the earlier requirement that the expert be appropriately qualified. If more than one expert contributed (say a junior did the inspection and a senior reviewed), both might sign, clearly indicating accountability. The signature is typically dated as well.

16. **Appendices (Supporting Information):**

A robust expert report will include appendices for any supporting materials, the most common being the photographs taken during the inspection. The photos should be clearly captioned and often cross-referenced in the report body (e.g. "Image 5: Crack above window in Bedroom 2"). Including images is essential for evidence – many Insurers and customers will go straight to the photo section to see the damage. Other appendices can include: site plans, test data (e.g. moisture readings, structural calculations), reference documents (like weather reports or standards excerpts if relevant), and any detailed scope of works or costings (if those are provided by the expert). For example, an appendix might have a table of floor levels measured, or a copy of a geotechnical lab result. The report should mention these if they exist (e.g. "See Appendix A for photographic documentation of observed damage"). Ensure that each image or figure is labelled (Figure or Image numbers) and referred to in the text so that the reader can connect them. Appendices serve to keep the main report focused and concise while still providing full transparency and evidence for those who wish to delve into details.

In summary, the expert's report should be comprehensive yet well-structured, allowing a reader (Insurer or Insured) to follow the logic from what was observed to what was concluded. It should document the who, what, when, where, and why: who did the inspection, what they looked at, when and where the loss occurred and inspection occurred, and why the expert believes the damage is or is not related to the claimable event. By adhering to these minimum content requirements, the report will fulfill the Industry Best Practice Standards – being factual, clear, and useful for claim resolution. Such a report, prepared in line with GICOP and ICA guidelines, ensures transparency to the insured (who can request and must be given a copy especially if the claim decision relies on it) and facilitates fair outcomes. The insurer can confidently rely on a report that meets these standards, and the customer can understand how the conclusion was reached, thereby upholding trust in the process.

4. Sources

- Insurance Council of Australia – Use of Expert Reports: Industry Best Practice Standard (Aug 2024).
- AiBEC – Submission to ICA on Expert Reports Best Practice (Dec 2024).
- General Insurance Code of Practice (2020) – Sections on External Experts (referenced in ICA Standard).
- AiBEC – Code of Professional Conduct and Tiered Expertise Framework.
- Code of Governance Committee (2023)- Thematic Inquiry into making better claims decisions (the CGC Inquiry)
- ASIC (2023)- Navigating the storm: ASIC's review of home insurance claims (REP 768)
- Deloitte (2023)- The new benchmark for catastrophe preparedness in Australia (the CAT221 Report)
- Financial Counselling Victoria (2024) – Unsettled: Climate Risk and Cash Settlements in Home Insurance
- Code of Governance Committee (2024) Thematic Inquiry into Oversight of External Experts
- Parliamentary Report (2024)- Inquiry into insurers' response to 2022 major flood claims- Flood failure to future Fairness
- ASIC (2024)- Cause for complaint: Complaints handling in general insurance (REP 802)
- Code of Practice Review (2024)- Independent review of the 2020 General Insurance Code of Practice

AiBEC will deliver value to its members and the broader industry through four key areas of focus:

EDUCATE

Education and training on current and future insurance legislation, claims handling and related issues.

ADVOCATE

Advocacy on behalf of the Insurance Building Engineers and Consultants Industry via submissions and formal conference with insurance industry stakeholders.

ENGAGE

Engagement with the broader industry to ensure AiBEC is positioned as and remains the peak representative body for Insurance Building and Engineering Consultants.

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AiBEC Factsheet: Recommendations for Insurers on Expert Engagement and Reporting Reforms

The AiBEC Guideline for Insurers sets a best-practice framework to improve the quality, consistency, and accountability of expert reporting in the insurance sector. It introduces scalable tiering methods for triaging report complexity, evidence presentation protocols, and qualification checks, aligning with regulatory standards such as the General Insurance Code of Practice (GICOP).

To support insurer decision-making and reduce disputes, AiBEC offers quick-reference matrices and structured guidance for reverse briefing in complex cases. The guideline promotes collaboration with built environment professionals to expand technical knowledge and commits to periodic updates that reflect evolving sector needs.

As part of its broader Best Practice Standards initiative, AiBEC reviewed 16 industry reports encompassing 355 recommendations. Of these, 31 recommendations highlight opportunities for improved expert reporting, while 9 focus on repair scoping and built environment resilience.

The Expert Report Best Practice Standards – AiBEC Guideline for Insurers is the first release in a series of documents designed to support insurance professionals in making clearer, more consistent claims decisions. It provides minimum expectations and practical examples to guide claims teams in interpreting reports from experts and trade-level professionals.

Overall, the guideline serves as a cornerstone for enhanced governance, operational efficiency, and community-focused claims outcomes across the insurance landscape.

Addressing the recommendations- AiBEC's Guideline for Insurers

1. **Benchmarking Standards:** Clear minimum expectations to guide expert report content.
2. **Evidence Presentation:** Structured approaches to presenting maintenance and non-claim damage findings.
3. **Qualification Verification:** Mandatory inclusion of expert credentials for report credibility.
4. **Reverse Briefing Protocols:** Support for complex cases needing additional insurer-expert collaboration.
5. **Compliance Alignment:** Integration with GICOP principles and vulnerability training (AiBEC–ANZIFF).
6. **Tiering for Scalability:** Multi-level reporting framework to handle volume and complexity.
7. **Operational Guidance:** Tools and matrices to reduce miscommunication and complaints.
8. **Governance and Integrity:** Exclusion of policy commentary to maintain factual reporting standards.
9. **Sector Collaboration:** Promotion of knowledge-sharing between insurers and built environment experts.
10. **Continuous Improvement:** Commitment to ongoing updates and development of supporting resources.

Recommendation	Name of inquiry		AiBEC Guideline Opportunities
	CGC Thematic Inquiry into making better claims decisions (the CGC Inquiry)	Jul-23	Total Report Recommendations 8 Built Environment Experts impact to 4
5	Establish a standard format for expert assessment reports to get more consistent and higher quality input.		AiBEC has proposed solutions for the content of benchmarking reports, outlining minimum expectations to help guide insurance professionals
6	Provide clear explanations for claims that are denied based on wear and tear or lack of maintenance. In particular, explain: - the maintenance that should have occurred - how that maintenance would have prevented the loss - the link between the loss and the wear and tear or lack of maintenance.		The AiBEC Guideline for Insurers included examples and outline how experts or building trade professionals should present evidence and observations related to maintenance issues or non-claim-related damage
7	Provide comprehensive training to claim consultants, monitor decision making and implement processes that ensure the consultants can identify and escalate expert recommendations that are not well substantiated.		The AiBEC Guideline for Insurers provides practical guidelines for insurers to follow when assessing reports from experts and trade-level professionals
8	Ensure authorised experts are trained to make recommendations backed by sufficient evidence, consistent with standards and policies of the subscriber.		The AiBEC Guideline for Insurers recommends that reports from experts and trade-level professionals include verifiable references to qualifications, ensuring credibility for insurance claims teams.
	REP 768 – Navigating the storm: ASIC’s review of home insurance claims (REP 768)	Aug-23	Total Report Recommendations 5 Built Environment Experts impact to 3
1	Better communications – for transparency and timeliness Insurers must be clear, proactive and transparent in communications to prevent or overcome confusion of consumers. Insurers should proactively inform consumers of their claim progress and decisions, outlining any further steps in the claims process. Table 4 in INFO 253 and Pt 8 of the Code		The guideline provides suggestions for insurers regarding the specific information experts need to produce appropriate reporting outcomes—especially in complex cases where reverse briefing may be required beyond standard protocols

Recommendation	Name of inquiry		AiBEC Guideline Opportunities
4	Better treatment of vulnerability – for fairness Insurers must recognise consumers experiencing vulnerability and tailor their services to consumers who are experiencing vulnerability and treat them accordingly. Table 4 in INFO 253 and Pts 9 and 10 of the Code		The guidelines recommend that expert reports align with the principles of the General Insurance Code of Practice (GICOP), and that all insurance built environment professionals participate in mandatory and periodic training on vulnerability. AiBEC members fulfil this requirement for mandatory vulnerability training through a partnership with ANZIFF and completion of a GICOP questionnaire as part of the membership application.
5	Better resourcing – for timeliness and fairness Insurers must have adequate resourcing to enable their claims handling and dispute resolution functions. This extends to ensuring that staff are properly trained and skilled to handle claims efficiently, honestly and fairly, as well as to identify expressions of dissatisfaction and vulnerability. Tables 4 and 5 in INFO 253		AiBEC's quick-reference matrices for insurers are designed to support the implementation of training programs that improve understanding and delivery of expert report outcomes. The goal is to minimize miscommunication and reduce complaint rates
	The new benchmark for catastrophe preparedness in Australia (the CAT221 Report)	Oct-23	Total Report Recommendations 24 Built Environment Experts' impact to 3
2.2	Claim handling Insurers should improve the consistency of the customer experience through decision-making by enhancing governance and quality assurance standards. Where governance and quality standards are relaxed in the early aftermath of an event (due to processing constraints), insurers should undertake proactive reviews and remedial work to correct issues without customers needing to identify them.		AiBEC's insurer guidelines and tiering framework offer insurance organisations a structured method for applying weighted influence to expert reports—empowering insurers to establish and uphold reporting standards.
3.3	Catastrophe onboarding, training and competency management Onboarding, training and competency frameworks to prepare new hires for claims and complaint handling roles during a catastrophe should be reviewed or established. Consideration should be given to the maximum number of resources the training and onboarding team can manage at any one time		AiBEC Comments as per; REP 768 – Navigating the storm: ASIC's review of home insurance claims (REP 768); Recommendation 5

Recommendation	Name of inquiry	AiBEC Guideline Opportunities
	during a catastrophe to maintain a baseline level of skills and quality of handling. Insurers should also consider providing claims and complaints staff with industry recognised accreditation or certificate level training.	
4.2	Accelerated triage Insurers should consider triaging to accelerate claims in a catastrophe, including batching, automating and bulk processing cohorts of claims. For triage to be successful, insurers need a level of consistency in policy definitions and terms across the portfolio, robust data capture, and pre-identification of processes that can be automated or handled in bulk.	The tiering approach proposed by AiBEC, enables scalable response during periods of high claim volume, while also providing guidance on the scope and limitations of experts and trade professionals
	Financial Counselling Victoria – Unsettled: Climate Risk and Cash Settlements in Home Insurance	Aug-24 Total Report Recommendations 23 Built Environment Experts' impact to 4
1.3	Tighten definitions on key clauses – such as “maintenance” and “pre existing damage” – and standardise these, along with standard definitions of “perils” This is important for strengthening the capacity of households to navigate the market by developing a better understanding of policy norms. It is noted that definitions around “maintenance” and “pre existing damage” have proved particularly troublesome in the 2022 floods as application of these exclusions varied across and often even within insurers.	AiBEC Comments as per; CGC Thematic Inquiry into making better claims decisions (the CGC Inquiry); Recommendation 6
4.2	Require all expert reports to comply with a standard template Where expert reports are drawn upon to justify a cash settlement offer, these must be written to a template that ensures both a suitable level of detail as well as the use of language that is appropriate to the consumer audience. This template must be mandatory and must be determined in collaboration with consumer advocates.	AiBEC Comments as per; CGC Thematic Inquiry into making better claims decisions (the CGC Inquiry); Recommendation 5 & 7

Recommendation	Name of inquiry	AiBEC Guideline Opportunities
4.3	Require expert reports requested by insurers to be contracted by an independent body such as AFCA or ASIC By requiring the insurer to apply to an independent body to commission expert reports, the potential for bias in reports – be that bias perceived or actual – is decreased. This provides a key opportunity to wind back the adversarial nature of the claims process and reduces the inefficiencies thus entailed in the use of expert reports as adversarial tools in the dispute process.	AiBEC asserts that experts are duty-bound to report solely on factual evidence, and that commentary on policy coverage should be excluded from expert reports to preserve the integrity of their evidence-based opinions
5.2	Limit circumstances in which cash settlements can be offered to households by defining specific circumstances that qualify for cash settlement in the Insurance Code Although this measure does not specifically target vulnerable households, by reducing the number of cash settlements overall, it can be expected that fewer vulnerable households will be offered cash settlements.	Comments as per; CGC Thematic Inquiry into making better claims decisions (the CGC Inquiry); Recommendation 5 & 6. Additionally, reports should include mandatory references to the specific building regulations in effect both at the time of construction and at present, while adopting a total dwelling performance-based approach
	CGC Thematic Inquiry into Oversight of External Experts Aug-24	Total Report Recommendations 7 Built Environment Experts' impact to 4
1	Insurers should ensure their external experts only provide factual evidence based on the area of expertise, and do not provide recommendations on the outcome of a claim. (Note: If an external expert has delegated authority to approve a claim, such a recommendation may be appropriate.)	AiBEC Comments as per; Financial Counselling Victoria – Unsettled: Climate Risk and Cash Settlements in Home Insurance; Recommendation 4.3 & 5.2

Recommendation	Name of inquiry	AiBEC Guideline Opportunities
2	Insurers should provide training to external experts that is clear on the expectations for assessments and reports. Training should cover: - a)ensuring a full and detailed investigation of the damage and cause - b)ensuring the report is factual and supported by evidence - c)ensuring a specific and demonstrable link between the loss and wear and tear or lack of maintenance to support a view that damage was caused by normal wear and tear or lack of maintenance rather than an insured event.	AiBEC suggests that insurers may lack the necessary depth or scalability of technical knowledge to effectively implement and monitor expert services. Therefore, collaboration with built environment professionals and the representative bodies is recommended to help expand the collective body of knowledge and improve outcomes Demonstratable links are covered in AiBEC's guide for insurers refer; AiBEC Comments as per; CGC Thematic Inquiry into making better claims decisions (the CGC Inquiry); Recommendation 6
3&4	Insurers should ensure that they check that external experts understand training before allowing them to conduct assessments. Insurers should provide at least annual compulsory training to external experts on the obligations in the General Insurance Code of Practice and dealing with vulnerable customers.	AiBEC Comments as per; CGC Thematic Inquiry into making better claims decisions (the CGC Inquiry); Recommendation 8 AiBEC Comments as per; REP 768 – Navigating the storm: ASIC’s review of home insurance claims (REP 768); Recommendation 4 Additionally, AiBEC supports the validation of CPD points as part of the support mechanism regarding continuous improvement.
5	Insurers should ensure that, as part of their performance monitoring: - a)they conduct regular QA audits of external experts' assessments and reports and provide regular feedback - b)they consider the quality of an external expert’s work, not just time and cost in comparing and ranking external experts - c)they have systems in place to track and monitor themes over time and identify trends in the performance of external experts.	AiBEC’s insurer guideline serves as a benchmark for insurance organisations and professionals to assess the structure, presentation, and commentary within expert and trade-level reports
6	Insurers should improve the quality of the data they hold on external experts’ work. They should ensure that they are able to track the complaints made about each external expert and the number of assessments and reports completed by each one.	We support insurers providing constructive feedback when complaints stem from reports that do not meet AiBEC's insurer benchmark guidelines. To address knowledge gaps in the insurance landscape, AiBEC has also developed recognised educational programs for built environment experts and trade-level professionals

Recommendation	Name of inquiry	AiBEC Guideline Opportunities
7	Insurers should ensure that their monitoring processes are effective in identifying concerns with and providing feedback to external experts.	While the AiBEC guide for insurers does not directly monitor implementation, we welcome discussions on establishing an Expert Review Panel to support broader industry needs
	Inquiry into insurers' response to 2022 major flood claims- Flood failure to future Fairness	Oct-24 Total Report Recommendations 86 Built Environment Experts' impact to 7
3	4.115 The Committee recommends that a distinction be made in the General Insurance Code of Practice (the Code) between aspects of properties where maintenance is: • Observable (for example, roofs and gutters) versus where it is not observable (for example, typically, stumps). • Where regular upkeep is reasonably within the remit of the householder or business versus where maintenance is infrequent, costly and highly irregular (for example, stumps).	AiBEC Comments as per; CGC Thematic Inquiry into making better claims decisions (the CGC Inquiry); Recommendation 6
4	4.116 The Committee recommends that the Australian Government consider amending Sections 46 and 54 of the Insurance Contracts Act 1984 so as to better give effect to the original intent of the provisions. This could reduce unintended, arbitrary divergences in claims outcomes based on wear and tear and maintenance exclusions	Section 46(2) is addressed under Part 3(h) of AiBEC's insurer guidelines to enhance consistency; however, individual interpretations may still lead to varied outcomes
5	4.117 The Committee recommends that Engineers Australia in conjunction with the Insurance Council of Australia develop guidelines for hydrologists that are providing insurers with hydrology reports relating to flood and storm claims, with a view to providing a more robust evidence base for insurers to rely on to make claim decisions. These guidelines should be shared with	The AiBEC guide for insurers provides specific distinctions and guidance to assist front-line claims teams in evaluating hydrologist reports effectively

Recommendation	Name of inquiry	AiBEC Guideline Opportunities
	state and territory governments and appropriate authorities such as planning agencies and resilience authorities.	
6	4.118 The Committee recommends that the Australian Securities and Investments Commission produce regulatory guidance clarifying that insurers cannot rely solely on hydrology and expert reports to deny a claim where the report has not properly linked the damage observed with the cause of the damage, consistent with Recommendations 75 - 78 of the Independent Review of the General Insurance Code of Practice (the Code).	The AiBEC guide for insurers offers recommendations on presenting evidence and evidence-based opinions to accurately describe and link the proximate causes of observed damages
8	4.120 The Committee recommends that the General Insurance Code of Practice be amended to require that insurers implement mechanisms to: • periodically review the evidence relied upon to deny a claim based on lack of coverage under the policy or the application of an exclusion, where a hydrology and other expert report is one component of the evidence, to determine whether reports with insufficient evidence are being given too much weight in the decision to deny the claim • communicate the level of quality expected by insurers to third parties providing expert reports, and more effectively	AiBEC Comments as per; CGC Thematic Inquiry into making better claims decisions (the CGC Inquiry); Recommendation 6
21	4.208 The Committee recommends that the Insurance Council of Australia in conjunction with the Australian Securities and Investments Commission develop guidelines on how insurers can apply tighter internal controls on the oversight of building contractors, including guidelines on community expectations for industry to improve their oversight practices.	We are committed to producing periodic updates to the AiBEC guidelines for insurers, supporting their adoption across the insurance sector as a governance framework for built environment experts

Recommendation	Name of inquiry		AiBEC Guideline Opportunities
39	5.128 The Committee recommends that the General Insurance Code of Practice be amended to require insurers' identification of vulnerable customers and training of staff be designed so that customer interaction is compliant with ISO 22458 2022-04, the International Organization for Standardization's document		AiBEC Comments as per; REP 768 – Navigating the storm: ASIC's review of home insurance claims (REP 768) ; Recommendation 4
	REP 802 Cause for complaint: Complaints handling in general insurance	Dec-24	No Formal Recommendations
N/A	When things go wrong, complaints are an opportunity to re-set the course and get back on track. We expect all insurers to listen to their customers and identify, record and handle all complaints in line with their obligations.		Enhanced communication by experts and trade-level professionals across all aspects of their reporting contributes positively to outcomes. AiBEC's guidelines for insurers offer key insights to support all stakeholders and set them up for success
	Independent review of the 2020 General Insurance Code of Practice	Phase 1: Sep 2024 Phase 2: Dec 2024	Total Report Recommendations 101 Built Environment Experts' impact to 4
75	The Code should state the purpose of the appointment of experts, being to provide independent, detailed, and professional assessments of the cause and extent of damage and loss.		AiBEC's guide for insurers establishes essential guardrails by defining reporting expectations, detailing the information required for high-quality reporting, and outlining methods to reduce moral hazard while upholding probity.
76	The Code should require insurers to ensure the expertise, professionalism and independence of experts appointed by them and apply the other provisions recommended in relation to service providers as outlined above.		AiBEC Comments as per; REP 768 – Navigating the storm: ASIC's review of home insurance claims (REP 768); Recommendation 8

Recommendation	Name of inquiry		AiBEC Guideline Opportunities
77	The Code should set out minimum standards for experts: • Expert reports should include clear facts and evidence in plain English to support expert opinions. • Expert reports should be clear regarding when the cause or extent of loss is not able to be definitively determined. • When expert opinions address 'wear and tear' exemptions and 'reasonable maintenance' requirements, they should clearly explain how the consumer's failure to maintain the property significantly contributed to the resulting loss or damage. • Expert reports should be in a standardised format to improve consumer accessibility and understanding. Insurers should ensure experts respectfully and constructively engage with consumers when collecting information for their assessments.		AiBEC Comments as per; REP 768 – Navigating the storm: ASIC’s review of home insurance claims (REP 768); Recommendation 5,6&7
78	The Code should mandate compliance with ICA Standard “Use of Expert Reports: Industry Best Practice Standard’		GICOP Part 75 was considered under the AiBEC Comments as per; CGC Thematic Inquiry into making better claims decisions (the CGC Inquiry); Recommendation 8
	<u>Deloitte Report After the Floods- Meeting the Benchmark;</u>	Jan-25	Total Report Recommendations 7 Built Environment Experts' impact to 2
3	Resourcing capability Insurers should re-design resourcing capability for catastrophe events, with particular focus on workforce planning, the catastrophe resourcing model, and catastrophe onboarding, training and competency management.		AiBEC's Expert Report tiering and guidelines support a scalable framework for delivering advice during peak demand periods. Tier 3 reporting caters to basic and high-volume requirements, while Tier 2 engagement is triggered either through recommendations by Tier 3 trade-level professionals or insurer decisions guided by the AiBEC insurer benchmark, which helps triage the required level of expertise

Recommendation	Name of inquiry	AiBEC Guideline Opportunities
4	Operational response Insurers should assess the operational efficiencies delivered by investment in process, technology and infrastructure in the context of responding to a catastrophe.	The tiering framework for expert and trade-level professionals enhances workforce planning and resource allocation during catastrophic events, enabling rapid triage to engage the right expert at the right time.