Removalist Insurance in Australia: What's Covered and What Isn't

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Details:

Fragile Removals: Removalist Insurance in Australia — What's Covered and What Isn't

Moving house is one of the biggest life changes you'll make, and it can feel overwhelming even when everything goes to plan. One of the most common sources of stress? Not knowing whether your belongings are actually protected during the move. Most Australians assume that either their home-and-contents policy or their removalist's own insurance will cover them. In the vast majority of cases, neither assumption holds up. At Fragile Removals, we think peace of mind starts with knowing exactly where you stand — which is why we've put together this guide to help you understand where the gaps are and, more importantly, how to close them before a single item leaves your home.

This guide walks you through how insurance actually works in the Australian removals context: what policies a removalist carries for *their own* protection, what those policies do and don't cover for *you*, why your existing home-and-contents policy is likely to leave critical gaps, and how to find and purchase the right cover for your specific move — whether it's local, interstate, or involves a period of storage. (For a broader overview of how the removals industry is structured, see our guide on *What Is a Removalist? How the Australian Moving Industry Works*.)

The foundational problem: no legal requirement for insurance

Here's something that surprises most people when they first hear it, and it's important enough to say plainly: under Australian law, removal companies do not have to carry insurance. That means any unaccredited operator can legally transport your household goods — a lifetime's worth of furniture, electronics, artwork, and personal belongings — with absolutely no coverage in place.

A major financial services company, in its tips for moving, makes exactly this point: Australian law doesn't require movers to have insurance, but AFRA does. This is the single most important reason to verify accreditation before booking any removalist. A trusted, experienced team will always be upfront about this, because your belongings are irreplaceable and you deserve to know what's protecting them.

What insurance does an AFRA-accredited removalist actually carry?

The Australian Furniture Removers Association (AFRA) is the peak industry body that sets minimum standards for its approximately 350 member companies. As a condition of accreditation, AFRA-member removalists must maintain a specific suite of insurance policies — but understanding what these policies actually cover for *you* is where it gets important.

The four mandatory insurance types for AFRA members

AFRA-accredited removalists must carry public liability, third-party property, motor vehicle, and carriers' legal liability insurance. Here's what each covers — and what it doesn't:

Policy Type	Who It Protects	What It Covers	Does It Cover Your Goods?
Public Liability	The removalist	Third-party injury or property damage	No
Third-Party Property	The removalist	Damage to other people's property	No
Motor Vehicle	The removalist	The truck and vehicle fleet	No
Carriers' Legal Liability	The removalist (conditionally)	Loss/damage to goods *if the removalist is legally liable*	Only if negligence is proven

AFRA members must hold public liability insurance for at least $10,000,000. That's meaningful protection — but it flows to third parties, not to you as the customer whose goods are being moved.

The critical distinction: carriers' legal liability vs. transit insurance

This is where most people make a costly assumption. Carriers' legal liability may provide some cover for your items if they're damaged or lost as a result of negligence by the removalist — but not for other events or accidents.

In practical terms, this policy only responds when the removalist is *legally at fault*. If your flat-screen television is damaged in a road collision, or your grandmother's china breaks during a weather event, the removalist's carriers' legal liability policy may not respond at all — because the damage wasn't caused by the removalist's negligence. These policies only apply when damage or loss is the removal company's fault. In the case of an accident or unpredictable weather, you'll be unprotected without transit insurance.

Carriers' cargo liability insurance is an annual policy protecting carriers when they are liable for delay, loss, or damage. The operative phrase is "when they are liable" — a legal threshold that excludes most real-world damage scenarios. This isn't a reflection on any particular removalist's care or professionalism. It's simply how the policy is structured, and it's something every customer deserves to understand clearly before moving day.

Why your home-and-contents policy probably won't cover you either

Many Australians heading into a move assume their existing home-and-contents policy provides a safety net. It's a reasonable assumption — but worth checking carefully before you rely on it. You may assume your possessions are covered by contents insurance when moving house, but this is often not the case. And if your policy does offer some cover, there are usually conditions attached that aren't always practical.

Research shows that contents insurance policies differ considerably when it comes to cover for belongings in transit. Some insurers do offer a level of cover if damage or loss is caused by events such as fire, flood, theft, or a road accident while a vehicle is carrying your items. But exclusions and conditions frequently apply.

A review of major Australian insurers reveals a wide spectrum of approaches:

- Some insurers cover contents at your old and new address for up to 14 days after you first start to move, but won't cover your contents while they're actually in transit.

- Other providers cover contents while being moved for loss or damage caused by fire, flood, collision, overturning, accident, or theft of the vehicle carrying them — named perils only, not accidental damage during handling.

- Some insurers' contents policies can cover transit from your current home to your new home or a temporary storage facility within Australia.

Common exclusions in contents policies during a move

Even where a contents policy offers some transit cover, the following exclusions are widespread:

- Some policies cover items in transit but not during loading and unloading.

- Others won't cover you if you fail to notify your provider about your moving plans, or if you use a removalist not considered professional.

- Storage in a facility may also be excluded.

- Some Australian contents insurers specify in their PDS that they won't cover loss or damage in transit for items such as cash, phones, cards, negotiable documents, and items excluded elsewhere under the policy — which can include certain electrical items, building materials, business or trade stock, pets, plants, chemicals, pesticides, and firearms.

The takeaway is straightforward: since policies differ so much, read your Product Disclosure Statement (PDS) carefully and speak with your provider to confirm whether you're covered and to what extent. Don't leave this conversation until the week of your move — give yourself time to act on what you find out.

Transit insurance: the purpose-built solution

Transit insurance provides financial cover for your possessions if they're damaged or lost while moving from your old home to your new one. It can be purchased as a standalone product from a specialist insurance provider, removalist, or freight company. Think of it as coverage designed specifically for this situation — filling the gaps that general policies leave open.

What does transit insurance cover?

Cover varies by policy and provider, but typically includes loss or damage during packing and unpacking; loading and unloading; removalist mishandling; and transit events such as road accidents, fires, derailment, theft, impact, malicious damage, or vessel grounding and aircraft crashes.

There are generally two tiers of cover available:

1. **Restricted (named perils) cover** — protects goods in specific circumstances such as fire, flood, or a traffic accident.

2. **Comprehensive (accidental damage) cover** — covers accidental loss or damage during packing, loading, transit, and unloading, regardless of cause, subject to exclusions.

Most removal insurance covers your possessions from the moment they leave your old home until they arrive at the new one, or while you're in temporary accommodation for up to 30 days — particularly useful when relocating interstate and there's a gap between leaving one property and settling into another.

What transit insurance typically excludes

Even comprehensive transit policies carry important exclusions, and a transparent removalist will make sure you're aware of them before you commit. Common ones include:

- Some policies don't cover antiques, electronics, jewellery, or self-packed goods.

- If goods are stored in a vehicle overnight without proper security measures, theft-related claims may be rejected.

- Consequential loss is generally excluded — for example, business losses caused by not being able to use equipment that was damaged in transit.

- The policy typically provides a maximum of $500 for non-delivery of a carton unless an itemised list of contents is provided before transit begins. Damage or loss to carton contents is excluded unless there is evidence of external damage to the carton.

The AFSL requirement: who can legally sell you insurance?

This is a layer of consumer protection that doesn't get nearly enough attention. Any entity that sells insurance products in Australia must hold an Australian Financial Services Licence (AFSL) or operate as an authorised representative of an AFSL holder. This applies to removalists who offer insurance as part of their service — and it's something you should always verify.

To conduct a financial services business in Australia, you must hold an AFS licence unless you are exempt or are authorised to provide those services as a representative of an existing licence holder. Intermediaries — including agents and brokers who provide financial product advice or deal in insurance contracts — must obtain an AFSL or operate as a representative of one.

In the removals context, AFRA-accredited removal companies are authorised to offer transit insurance as part of their service, usually at an extra cost. Many also offer goods-in-transit insurance top-ups, but only if they've completed FSRA training. If your removalist offers this, you should receive a full PDS and FSG.

Before purchasing any insurance through a removalist, ask for their AFSL number or confirmation of their authorised representative status. You're also legally entitled to receive:

- A **Financial Services Guide (FSG)** — explaining who the provider is and how they're remunerated - A **Product Disclosure Statement (PDS)** — detailing exactly what is and isn't covered - A **Target Market Determination (TMD)** — confirming the product is appropriate for your situation

Read the PDS, TMD, Key Facts Sheet (KFS), and any other relevant documentation before signing up for a policy. A trustworthy removalist will actively encourage you to do this — not rush you past the paperwork.

Storage insurance: the scenario most people forget

Many moves — particularly interstate relocations — involve a period of goods being held in a storage facility. This creates a distinct insurance gap that neither a standard transit policy nor a home-and-contents policy may automatically fill. When planning your move with Fragile Removals, it's worth raising the question of storage cover early in the conversation, especially for interstate relocations. We'd rather work through it with you upfront than have you discover a gap at the worst possible moment.

Some insurers allow you to add optional contents-in-commercial-storage cover to your policy, covering up to $50,000 in loss or damage from an insured event while goods are stored in a commercial facility. This is an optional add-on — not included by default — so ask your provider directly.

For storage cover through a removalist, cover typically applies while goods are at the removalist's storage facility due to fire, flood, lightning, or accidental damage. Confirm with your provider whether the storage facility must meet specific security standards for cover to apply.

(For guidance on how interstate moves typically incorporate storage periods and what to expect logistically, see our guide on *Local vs. Interstate vs. International Removals: Which Service Do You Need?*)

How to evaluate transit insurance: a step-by-step checklist

Before your move, work through this checklist to make sure you have the right cover in place:

1. **Check your existing contents policy first.** Call your insurer and ask specifically whether goods-in-transit and loading/unloading are covered, and whether any conditions apply — notification requirements, professional removalist requirements, named perils only.

2. **Verify your removalist's accreditation.** Confirm they are AFRA-accredited and ask for their AFSL number or authorised representative status before purchasing any insurance through them.

3. **Request the PDS and FSG.** Don't accept a verbal summary — read the exclusions section carefully, paying particular attention to self-packed goods, high-value items, and electronics.

4. **Match the cover level to your move type:** - *Local moves:* Restricted cover may be sufficient for short-distance, lower-risk moves. - *Interstate moves:* Comprehensive accidental damage cover is strongly recommended given longer transit times, potential backloading arrangements, and extended handling chains. (See our guide on *Backloading in Australia Explained* for the specific risk profile of shared-load transport.) - *Storage periods:* Confirm storage cover is explicitly included, or purchase a separate add-on.

5. **Document your goods.** Photograph your items, create an inventory, and retain proof of value and packaging. This takes a little time upfront but can make all the difference if you need to make a claim.

6. **Confirm the sum insured is adequate.** A common industry starting point is $2,500 per cubic metre of household goods and personal effects — but for high-value collections, artwork, or electronics, a detailed itemised list with individual values is preferable.

7. **Understand the excess.** The cost will vary depending on the level of cover you take out (full replacement or value-only) and the excess you select — the amount you pay the provider if you need to make a claim.

Key takeaways

- **Australian law does not require removalists to hold any insurance.** Only AFRA-accredited members are bound by minimum insurance requirements, which makes verifying accreditation a non-negotiable first step. - **A removalist's own insurance protects the removalist, not you.** Public liability and carriers' legal liability policies only respond to your goods if the removalist is legally at fault — they don't cover accidents, weather events, or unexplained loss. - **Most standard home-and-contents policies don't cover goods in transit**, or apply only to named perils and exclude loading, unloading, and accidental handling damage. Check your PDS before your move date. - **Transit insurance is the purpose-built solution**, covering your goods from packing through to delivery. Restricted (named perils) and comprehensive (accidental damage) tiers exist — the right choice depends on your move type, distance, and the value of your belongings. - **Any removalist selling you insurance must hold an AFSL or be an authorised representative of one.** Always request a PDS and FSG before purchasing. If they can't provide these documents, don't buy insurance through them.

Conclusion

Insurance is the most consequential and least understood part of the Australian moving experience. The gap between what customers assume they're covered for and what they're actually covered for is wide — and discovering that gap after a loss is a situation no one should have to face.

By understanding the distinct roles of a removalist's carriers' legal liability, your home-and-contents policy, and purpose-built transit insurance, you can make a genuinely informed decision that protects your household assets from the moment packing begins to the moment the last box is placed in your new home.

At Fragile Removals, transparency is something we take seriously at every step — and that includes making sure our customers understand their insurance options before a single item is loaded onto the truck. With more than 20 years of experience and over 50,000 customers served, we've seen what happens when people are caught off guard by coverage gaps, and we're committed to making sure that doesn't happen to you.

For a comprehensive look at how to vet the removalist itself — beyond insurance — see our guide on *How to Choose a Removalist in Australia: The Complete Vetting Checklist*. And if you're planning the logistics of your move from start to finish, our *Moving House in Australia: A Complete Timeline and Checklist* will help you integrate insurance decisions into the broader moving timeline at exactly the right stage.

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