

Transmission Infrastructure and Insurance

Insurance-related questions are top of mind for many landholders impacted by VNI West. TCV continues to work closely with the Insurance Council of Australia (ICA) to understand insurance implications for landholders with VNI West transmission infrastructure proposed for their property, and those with property that neighbours the VNI West preferred easement.



Current information provided by the ICA indicates that:

- Insurers generally do not have specific concerns related to a property hosting transmission lines or neighbouring energy infrastructure, nor is this a primary driver of claims denial.
- Insurance rates should generally be unaffected by the presence of a transmission line on a property.
- Specific insurance rates/terms will depend on individual circumstances and coverage requirements (among other things).

Availability of insurance coverage

As with any insurance policy, several factors are considered by an insurer when offering coverage, relating to the individual circumstances of the policyholder. Likewise, any subsequent claim under an insurance policy will be determined based on the terms of that policy.

The ICA has stated that its insurance company members, “continue to offer coverage for liability risk based on an assessment of the individual circumstances of a specific farm landowner.”

TCV will pay reasonable costs for landholders to seek independent advice in relation to insurance as part of the compensation arrangements agreed with each landholder.

Landholders with concerns as to how any energy infrastructure may impact their insurance coverage are encouraged to contact their insurance broker or insurer directly.

Compensation for insurance-related costs

Increases in insurance costs that relate to VNI West will be assessed and compensated through the compensation regime agreed with individual landholders. Once a landholder has received premium information from their insurer or broker, our team will discuss any changes to a landholder’s premium with them and record any agreed payments in their Option for Easement agreement.

More broadly, compensation for VNI West will consider disturbance including financial loss suffered in connection with the impact of the easement on private land. This could include things such as impact to farming operations and the cost of professional advice in areas including valuation, legal, tax and insurance.

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Landholder liability for damage to VNI West infrastructure

TCV's aspiration is to establish a 'landholder friendly' liability framework. What this means is that we are actively exploring how best to minimise any residual liability of a landholder for transmission on their property and to ensure appropriate risk mitigation measures (such as insurance) are in place. This is complex and requires discussions with stakeholders including landholders, the State, insurers and potential development partners. TCV is progressing these discussions and will provide further updates as those discussions progress.

One area that we will likely not be able to move on is where a party wilfully or intentionally causes damage to the transmission infrastructure. In that instance, the party found to be responsible for that damage may be held liable for costs associated with rectifying that damage.

Ongoing actions

TCV and VicGrid commit to continue investigating this important issue, including consulting government at a State and Federal level to seek more detail and a clearer position in relation to questions of insurance and liability for transmission infrastructure on private land. As more information is available, it will be provided to landholders and other interested VNI West stakeholders.

TCV and VicGrid will continue engaging with external parties including the ICA and individual insurers where appropriate, to seek more clarity for landholders and neighbours about the potential insurance implications of transmission infrastructure on private property. Given insurance advice can vary greatly due to individual circumstances, landholders are encouraged to speak to their insurance company or agent directly to request advice about how their coverage could be impacted.



More Information

More information about farming insurance and energy infrastructure is available from the ICA website at the link below.

Insurance Council of Australia (ICA) Website:

<https://insurancecouncil.com.au/>

Farm Insurance and Energy Infrastructure fact sheet:

<https://shorturl.at/ecuQq>

Contact TCV

For more information about the proposed project, visit <https://www.transmissionvictoria.com.au/>

Alternatively, please contact TCV directly:

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