

Monday September 26, 2016

Insurance catastrophe declared for flooding in NSW Central West

The Insurance Council of Australia (ICA) has declared a catastrophe for major flooding around Forbes in the Central West of New South Wales.

ICA CEO Rob Whelan said the full extent of residential, business and crop damage was not yet clear, but the insurance industry had escalated its response to help policyholders.

"Early reports indicate the region has suffered extensive crop losses, while about 100 businesses and homes may also have been affected by flooding," Mr Whelan said. "It's likely that insurance losses will be in the tens of millions of dollars. However, it will take several weeks for the full extent of the losses to be known.

"The ICA and its members are liaising with the NSW Government, local municipalities, emergency services and other agencies. Several insurers have already begun setting up disaster response teams in the Forbes region to assist their policyholders."

Under the catastrophe declaration the ICA has:

- Established an industry taskforce to address and identify any issues that arise
- Activated its disaster hotline – **1800 734 621** – helping policyholders if they are uncertain which insurer they are with, or have general inquiries about the claims process
- Mobilised ICA staff to work directly with local services and affected policyholders in the region

Mr Whelan said policyholders who had been affected should contact their insurer or their insurance broker as soon as possible so the claims process could commence. He said insurance assessors would start visiting properties once it was safe to do so.

"Insurers have electronic records so policyholders who can't find their paperwork need only provide their name and address," he said.

"They are also prioritising insurance claims from the catastrophe region to ensure resources are directed to those policyholders most in need of assistance."

Mr Whelan said more than 95 per cent of household insurance policies purchased in Australia now contained cover for flood damage under the Federal Government's standard definition (see below).

"Flood cover is also available to all farms and other businesses, but it's not yet clear how many of the affected primary producers chose not to purchase policies that cover flood damage to crops," he said.

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“In those rare cases where homes, businesses and farms have been inundated and did not purchase flood cover, insurers will use independent hydrologists to determine if losses can be covered under other provisions of their policies.”

Tips for affected policyholders include:

- Stay away from storm-damaged areas and property until emergency services declare it is safe to return
- Stay away from downed power lines, poles and wires, and fallen trees
- Speak to your insurer before you attempt or authorise any building work, including emergency repairs, and ask for the insurer’s permission in writing. Unauthorised work may not be covered by your policy
- Take photographs or videos of damage to property and possessions, and keep samples of materials from damaged goods, as evidence to support your claim. This will be used by your insurer to process your claim as quickly as possible
- Primary producers do not have to wait for an assessor before they euthanise injured stock. They will need to take photographs and collect relevant tags as evidence for their claim

For more information see: <http://understandinsurance.com.au/types-of-disasters/floods>

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Additional information

In 2012, the Federal Government introduced a standard definition of flood to provide greater certainty for insurers and policyholders.

The definition of flood is:

- *the covering of normally dry land by water that has escaped or been released from the normal confines of:*
- *any lake, or any river, creek or other natural watercourse, whether or not altered or modified; or*
- *any reservoir, canal, or dam.*