

Friday January 15, 2016

## Insurance losses from summer catastrophes pass half a billion dollars

Updated figures from the Insurance Council of Australia (ICA) show the combined cost of the four catastrophes it has declared since November has passed \$515 million.

Over the past seven weeks, the ICA has declared catastrophes for South Australia's Pinery bushfires (November 26), the Sydney tornado (December 17), the Great Ocean Road bushfires in Victoria (December 26) and the bushfires in Western Australia's south west (January 8).

ICA CEO Rob Whelan said: "We've only just reached the midpoint of summer. Insurers are paying out more than \$1.3 million each working day in repairs, building works, settlements and assistance to policyholders just for these four disasters.

"That figure doesn't include the losses from many other smaller events, including recent flood and storm damage in parts of Sydney and the Hunter region."

The updated figures reveal:

- The value of insured losses for the Pinery bushfires has risen to \$170 million from 1991 claims. Commercial losses comprise 73 per cent of the total insurance bill
- Insurers have received 4282 claims from the Sydney tornado with insured losses passing \$202 million. Though the highest number of claims are for homes, 72 per cent of insured losses are commercial
- The Great Ocean Road bushfires have resulted in \$86 million of insured losses from 482 claims, including 185 residential building claims
- The Yarloop bushfires in Western Australia's south west have produced 616 claims. Insured losses have passed \$57 million

Claims continue to be lodged for all four catastrophes. Policyholders affected by natural disasters who have yet to lodge a claim are urged to do so as soon as they can to enable insurers to get the assessment, repair and rebuilding process started.

Despite the scale of the damage this summer, Mr Whelan said policyholders in these catastrophe regions were unlikely to experience significant impact on their premiums.

"Insurers anticipated the potential for a destructive summer, and the losses are within their expectations," he said.

"These catastrophes highlight the importance of homeowners and businesses making sure they have adequate insurance for their homes and treasured possessions.

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“With building costs rising all the time, it’s vital to make sure property owners review and update their cover regularly to avoid being left underinsured and facing hefty bills.”

A free home insurance calculator to help property owners work out the level of cover they may need can be found at the Understand Insurance website:

<http://understandinsurance.com.au/calculators>.

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