

February 8, 2013

Catastrophe update: claims for 2013 pass \$670 million

General insurance companies have received more than 65,000 claims, with insurance losses conservatively estimated at \$674 million, from four catastrophes declared by the Insurance Council of Australia (ICA) in three states this summer.

Insurance Council CEO Mr Rob Whelan said the insurance industry was working to help policyholders affected by severe weather across the country. He said more claims were likely to be received over the next fortnight from catastrophe-hit regions.

“ICA staff and industry representatives have been deployed across Australia to help at recovery centres, while the ICA has organised two industry forums to enable policyholders to hold face-to-face discussions with insurers and other organisations,” he said.

“Though insurers have received a high volume of claims, this summer’s fire and flood risk had largely been anticipated and factored into commercial, prudential and logistical preparations. Insurers continue to work hard to process policyholders’ claims and assist the recovery efforts.

“However, I note that many parts of Australia have not yet reached the peak of their local disaster seasons, and more cyclones, floods and bushfires remain a strong possibility.”

Catastrophe updates:

Queensland floods and storm damage – 53,711 claims, \$553 million insurance losses

- Insurance industry representatives and the ICA have met with the Queensland Government to discuss the recovery effort in Bundaberg and other flood-affected towns. The ICA has welcomed a commitment by Queensland Premier Campbell Newman to build mitigation for flood-prone towns, and continues to work closely with state and local government.
- Local tradespeople are encouraged to register with the Building Services Authority to aid in the recovery effort. Mr Whelan says: “The ICA notes many insurers will have service contracts or agreements with specialist building trades businesses and that these may not be in the immediate area of a policyholder’s property. Preselected trades agreements enable repairs to be performed as swiftly as possible and allow the insurer to offer a guarantee on the repair work. However, registering with the BSA will allow policyholders to find local tradespeople.”

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- The ICA announced an insurance forum to be held in Bundaberg on Wednesday, February 20 from 6pm to 9pm. The forum will be attended by representatives of the ICA, insurance companies, the Financial Ombudsman Service (FOS) and Queensland Legal Aid. Please phone **1800 734 621** to register and for venue details.

NSW floods and storm damage – 8000 claims, \$20 million insurance losses

- Though insurers have received 8000 New South Wales claims, mainly from Grafton and the Tweed and Northern River regions, the scale of the damage caused by the floods was notably less than that experienced in Queensland.
- “Flood mitigation in places such as Grafton has done its job and protected many communities. Without mitigation, Grafton could easily have been as severely affected as Bundaberg,” Mr Whelan said. “This again highlights the importance of investing in physical mitigation measures, such as levees, dams, barrages and drainage work, where it is feasible to do so. A relatively small investment to build a levee around a mid-size town may be recouped many times over the life of the levee.”

Tasmanian bushfires – 1900 claims, \$89 million insurance losses

- Insurance companies have been working alongside the Tasmanian Government to help bushfire victims assess their options and start the recovery process.
- “Insurance assessors have already visited most properties where claims have been lodged, and building surveyors are also moving through these areas to evaluate what can be rebuilt and preparing scopes of work,” Mr Whelan said. “The Tasmanian Government has accepted the commercial arrangements for cleaning up these sites, which enables insurers to put every possible dollar of the claim into the recovery process.”

NSW bushfires (Coonabarabran region) – 1500 claims, \$12 million insurance losses

- ICA staff and industry representatives have visited the recovery centre and assisted policyholders.

Any policyholders who have general inquiries about the claims and recovery process should contact the ICA’s disaster hotline on **1800 734 621**.