



News release

Insurance Council
of Australia

Friday, 7 March 2025

Insurer update on disaster response preparation for TC Alfred

The Insurance Council of Australia (ICA) today said insurers have placed disaster response specialists on standby and have scaled up operations in preparation for Tropical Cyclone Alfred making landfall in the next 24 hours.

The Board of the ICA, comprising the CEOs of Australia's leading insurers and reinsurers, met this morning to discuss arrangements that have been put in place to support customers expected to be impacted by this slow-moving cyclonic system.

The Board updated Assistant Treasurer Stephen Jones on the insurance sector's efforts to support policyholders as well as issues that are expected to arise as result of TC Alfred impacting an area with a population of more than 4 million people.

While the industry has made significant improvements since the 2022 floods in response to the Parliamentary Flood Inquiry, the independent Code of Practice review and its own report undertaken by Deloitte, an event of this magnitude will inevitably throw into relief a range of issues that require coordination between government and industry. These include:

- Supply chain and labour force capacity constraints
- Temporary accommodation availability
- Cross-border recognition of trades qualifications
- Coordination of clean-up operations

Insurers have been and remain in contact with political leaders, impacted MPs, relevant state and Federal agencies, and local governments to discuss these issues and more.

Towns and communities in the Northern Rivers region of New South Wales have already been impacted, with up to 150 millimetres in rainfall experienced in the 24 hours to 9am. Areas inland of Coffs Harbour have reportedly received more than 200 millimetres of rain in the 24 hours to 9am.

While the weather system is changing frequently, the continued potential impact of this event remains widespread with residents in the active warning zone.

Policyholders impacted by TC Alfred should:

- **Prioritise safety.** If you have evacuated your home or business, only return when it is safe to do so. If your home has water damage, don't turn on your electricity until it has been inspected by an electrician. Do not drive your vehicle if it has suffered water damage.
- **Contact your insurer** as soon as you can. You can lodge a claim without knowing the full extent of the damage. Your insurer will also have all of your policy information on hand.
- **Take photos** and make a list of damaged items, including the brand, model and serial number if you can.

Insurers will prioritise impacted customers in communities along the east coast.

The ICA encourages people across southeast Queensland and northern New South Wales to follow the advice of emergency services and keep up to date with weather conditions.

Quote attributable to ICA CEO Andrew Hall:

The Board of the ICA met this morning to discuss this unfolding event and had a very constructive discussion with Assistant Treasurer Stephen Jones.

Insurers reiterated that insurers are committed to supporting customers through this event.

A number of key insurers based in south-east Queensland with operations in impact zone are putting in place contingencies, however their own staff may also be impacted by this event.

Weather events are often unpredictable, and Tropical Cyclone Alfred is proving to be no exception. Safety is our absolute priority and it's paramount those in the impact zone remain alert.

While it's still too early to know what the true impact of this weather event will be, we know that due to the population density in these areas that we may be looking at a very large number of claims.

ENDS

A list of FAQs can be found at the back of this release.

Frequently Asked Questions

Lines below can be used by media and attributed to a spokesperson from the ICA:

What is the best way residents can prepare for TC Alfred?

Where possible and safe to do so, residents should:

- Clear their property and gutters from loose material that possibly cause injury or damage during extreme winds or heavy rain, including moving outdoor furniture and pool accessories
- Secure boats or vehicles and move their car under cover
- Place important documents and valuables in plastic bags or other waterproof containers and put in a safe place
- Check your emergency kit is ready and nearby

It can also be helpful to take photos and videos around your home, note serial numbers of items and take a stocktake of valuables. Having before and after photos can assist insurers in the claims process.

More information on how customers can prepare for a weather event, what they should do in the aftermath and what to look out for when making a claim can be found on [our website](#).

How much will the total damage bill for TC Alfred amount to?

It is currently too early to tell the impact that TC Alfred will have and what the total damage bill will be.

The last cyclone to hit Australia, Tropical Cyclone Jasper (2023), cost \$409 million from around 10,500 claims.

The costliest cyclone to hit Australia remains Cyclone Tracy (1974), which normalised to 2023 values would incur \$7.4 billion in claims.

The floods of early 2022 remain the costliest insured event in Australia's history with \$6.4 billion in insured losses across more than 245,000 claims.

Is cyclone damage typically covered under standard home and contents policies?

Most standard home and contents policies in Australia will cover damage caused by cyclones but this is something customers should clarify with their own insurer or by reading their product disclosure statement. However, some customers may have opted out of flood cover. Customers are encouraged to contact their insurer if they want to better understand what they are covered for.

How many homes/businesses are at risk of flood?

Floods pose a critical threat to Australia. Around 1.36 million properties across the country face some risk of flooding, and it is estimated that half of these properties fall short of the flood resilience measures of modern planning and building standards. Around 298,000 of these properties – approximately 225,000 homes and 73,000 businesses – face at least a two or five per cent chance of flooding each year. 91,000 of these are in Queensland.

There is a clear correlation between high flood exposure and low socioeconomic status. Analysis of the 2024 National Flood Information Database (NFID) indicates that approximately 70 per cent of households exposed to the highest flood risk are in areas where the median income is below the national median (\$92,000), and around 35 per cent of these households are in areas where the median income is below the poverty line (\$58,000).

Of the estimated 225,000 homes in the highest flood risk locations across the country, only around 23 per cent have flood cover, compared to an estimated 60 per cent nationwide.

In February 2025, the Insurance Council released its [Federal Election Platform](#) which included a call for a Flood Defence Fund at a cost of \$30.15 billion over ten years, shared by the Federal Government and the state governments of Queensland, New South Wales and Victoria, which would:

- Deliver new critical flood defence infrastructure (\$15 billion)
- Strengthen properties in harm's way (\$5 billion)
- Managed relocation (buy-backs) (\$10 billion)
- Future-proof existing flood mitigation infrastructure (\$150 million)

Why can't people take out insurance if they don't already have a policy? Is it normal for insurers to activate embargoes ahead of natural disasters?

It is normal and longstanding practice for insurers to place what are known as 'embargoes' on issuing new insurance policies or changes to existing policies when a disaster is imminent. This is to prevent people buying insurance opportunistically, which would be unfair to existing customers, and to avoid the need to price the policy for the heightened risk.

If an insured risk is imminent, the probability of that risk occurring and therefore a claim being lodged is high. Insurers would need to calculate a premium that reflects this elevated risk, rather than averaging the risk over an entire year.

Embargoes can apply to new policies, as well as changes to existing policies. They are not applied when a customer is renewing during the embargo period.

Insurers have currently placed embargoes on insurance products for customers in southeast Queensland and northern New South Wales.

However, some insurers do offer options to take out a policy with a waiting period for pending risks. This means the policyholder would be covered for claims that aren't related to the pending risk (ie theft, accidental fire).

Will insurance premiums increase as a result of TC Alfred?

Giving the changing nature of this weather event, it is too early to predict what impact it will have on premiums.

However, the frequency and severity of natural disasters has increased in recent years and this is contributing to higher premiums. Insurers have been calling on governments to invest more in resilience and mitigation to protect the many Australians who are living in harm's way and improve insurance affordability and availability – as outlined by our call for a Flood Defence Fund in our Federal Election Platform released in February.

What does it mean when the ICA officially declares an Insurance Catastrophe (CAT)? When will this happen?

The ICA's catastrophe declaration serves to escalate and prioritise the insurance industry's response for affected policyholders. This will activate special services and support for homeowners and businesses within the official declaration zone.

Under the Catastrophe declaration:

- Claims from affected policyholders will be given priority by insurers

- Claims will be triaged to direct urgent assistance to the worst-affected property owners
- ICA representatives will be mobilised to work with local agencies and services and affected policyholders as soon as emergency services say it is safe to do so
- Insurers will mobilise disaster response specialists to assist affected customers with claims and assessments as soon as emergency services say it is safe to
- An industry taskforce has been established to identify and address issues arising from this catastrophe

A catastrophe declaration may be made for this event when insurers have assessed that it is appropriate to do so.