



News release

Insurance Council
of Australia

Sunday, 25 May 2025

Insurers encourage clean-up following widespread NSW flooding

Insurers have now received more than 3,500 claims following severe flooding across the Mid North Coast, Hunter and Greater Sydney regions of New South Wales, the Insurance Council of Australia (ICA) reported today.

80 per cent of these are personal property claims, with the remainder commercial and motor claims.

LGA	Home	Motor	Commercial	Total
Mid-Coast	589	239	60	888
Central Coast	480	53	13	546
Newcastle	390	44	20	454
Lake Macquarie	412	48	7	467
Port Macquarie-Hastings	239	68	8	315
Port Stephens	196	22	4	222
Northern Beaches	139	11	2	152
Coffs Harbour	100	27	3	130
Cessnock	86	8	6	100
Maitland	39	7	5	51
Blacktown	34	1	-	35
Other*	265	18	1	284
Total	2,969	546	129	3,644

*Other LGAs across NSW with less than 30 claims.

With recovery underway for many impacted communities, insurers are reminding policyholders that it is okay to begin clean-up – you don't need to wait for an assessor to visit your property.

The advice for clean-up is:

- **Discard items that can't be replaced**, particularly soft materials. These can pose a health risk if not removed. What policyholders can do is take photos or cut a piece of the damaged item (i.e. carpet) and keep that to show the assessor.
- **Document the damage**. Take photos, videos and notes of all damaged items, including serial numbers where relevant.
- **Talk to your insurer** and lodge a claim as soon as you can, even if you don't yet know the full extent of the damage.

Residents of Taree are reminded the Insurance Hub will be in action from Tuesday at the Taree Leagues Sports Club.

Representatives from a range of insurers and the ICA will be on the ground to meet with impacted homeowners and businesses and discuss their personal claim and share advice on the claims process.

Quotes attributable to ICA CEO Andrew Hall:

While clean-up is well and truly underway in many communities, safety is always the number one priority. Flood waters can bring debris and cause electrical damage, so we encourage locals to take extra precaution and follow advice of local authorities.

We're looking forward to getting to Taree next week and helping people get back on their feet. I encourage any impacted policyholders to come along and speak with your insurer.

We're also in discussion with the New South Wales Reconstruction Authority about having an insurer presence at local recovery centres across the Mid North Coast. We'll communicate this information as soon as plans are in place.

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:

Will insurers be on the ground in these impacted areas?

Insurers already have boots on the ground in many communities beyond Taree impacted by this severe weather event.

Insurers will be in Taree from Tuesday to meet with impacted policyholders. Details are as follows:

- **Location:** Taree Leagues Sports Club, 43 Cowper St, Taree NSW 2430
- **Dates:** Tuesday 27 May to Friday 13 June
- **Opening hours:** 10am to 5pm. No bookings required, walk-ins welcome.

What's the ICA's advice for impacted policyholders?

1. 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.
2. 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.
3. Take photos and make a list of damaged items, including the brand, model and serial number if you can, and keep material samples.

What about advice for farmers?

Farm insurance is typically provided through specialised brokers due to varying requirements and needs for each type of property. The ICA's advice is for those with farm insurance to speak to your broker to understand what you're covered for as each policy is different.

How much will the total damage bill for these floods amount to?

It is currently too early to tell the impact that the Mid North Coast and Hunter floods will have and what the total damage bill will be.

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.

While we don't expect this weather event to be as large or costly as the events of 2022, insurers stand ready to respond and assist customers.

Is flood and storm damage typically covered under standard home and contents policies?

Most standard home and contents policies in Australia will cover damage caused by storms 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 a severe or extreme risk of flooding – that is, respectively a two or five per cent chance of flooding each year. 171,000 of these properties are in New South Wales.

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.

What can we do to better protect our communities against flood?

The Insurance Council is calling for the establishment of a \$30 billion, ten-year [Flood Defence Fund](#), 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)

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 many parts of 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 (i.e. theft, accidental fire).

Will insurance premiums increase as a result of the Mid North Coast and Hunter floods?

Giving that this weather event is still ongoing, 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 across the country. 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.