



News release

Insurance Council
of Australia

Monday, 26 May 2025

ICA issues disaster chaser warning as flood recovery continues

The Insurance Council is warning flood-impacted households and businesses to be wary of 'disaster chasers' who target communities recovering from disasters to make a buck.

Disaster chasers will often offer clean-up or debris removal services, requesting payment upfront in cash and leave the job poorly done or not completed.

Residents who believe they may have been approached by or signed with a disaster chaser should seek guidance from their insurer.

[Tips for identifying and dealing with a disaster chaser:](#)

- An insurer will not send a tradesperson or builder to your home without notifying you and providing you with details
- Speak to your insurer before agreeing to any repairs or rebuilding work to make sure your insurer will cover the work
- A tradesperson or builder who is working for your insurer will not ask you for payment
- If in doubt, ask for identification such as a builder's licence or driver's licence, and ring your insurer to check
- If you sign a contract with a disaster chaser, you have a statutory 10-day cooling-off period. Your insurer can help you end the relationship with the disaster chaser

Insurers continue to activate recovery resources and support for communities, and an Insurance Hub will be operational at the Taree Leagues Sports Club from Tuesday, 26 May.

Claims numbers have continued to increase. Insurers have now received more than 4,100 claims relating to the severe flooding across the Mid North Coast, Hunter and Greater Sydney regions of New South Wales.

LGA	Home	Motor	Commercial	Total
Mid-Coast	656	280	67	1,003
Central Coast (NSW)	518	58	13	589
Lake Macquarie	472	53	7	532
Newcastle	438	55	19	512
Port Macquarie-Hastings	260	84	11	355
Port Stephens	218	25	4	247
Northern Beaches	144	12	2	158
Coffs Harbour	111	31	3	145
Cessnock	92	8	6	106
Maitland	40	8	5	53
Blacktown	39	1	-	40
Liverpool	33	2	2	37
Parramatta	33	2	1	36
Penrith	31	-	1	32
Kempsey	20	9	1	30
The Hills	30	-	-	30
Other	202	16	8	226
Grand Total	3,337	644	150	4,131

Quotes attributable to ICA CEO Andrew Hall:

Unfortunately, we know disaster chasers can be out and about taking advantage of these devastating events for their own personal gain.

We urge people to act with caution and anyone who is approached by a disaster chaser should call the relevant authorities.

Insurers continue to mobilise across affected communities, with representatives on ground supporting people in making their insurance claims since late last week.

Our Insurance Hub will be operational in Taree from tomorrow and we encourage anyone in the area who would like to speak with their insurer to drop in.

Editors note: ICA CEO Andrew Hall will be on the ground in Taree and present at the Insurance Hub on Tuesday and Wednesday this week and is available for on-site interviews.

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?

It is too early to predict what impact this event may have on premiums. But more broadly we know that the increasing frequency and severity of extreme weather events 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.