



Insurance Council
of Australia

News release

Tuesday, 27 May 2025

Insurance Catastrophe declared for NSW floods

The Insurance Council of Australia (ICA) has today upgraded its classification of the Mid North Coast and Hunter flooding event that has impacted communities since 17 May to an Insurance Catastrophe.

The decision to upgrade from a Significant Event to a Catastrophe was informed by feedback on the ground about the local severity of this event and the ongoing challenges that are faced in the recovery efforts.

It is also clear there are ongoing effects of flooding in these regions over the past several years that requires more sustainable solutions for impacted river catchments.

The ICA's Catastrophe declaration serves to escalate and prioritise the insurance industry's response for affected policyholders.

Under the Catastrophe declaration:

- Claims from affected policyholders are given priority by insurers
- Claims are triaged to direct urgent assistance to the worst-impacted property owners
- ICA representatives are mobilised to work with local agencies and services and affected policyholders
- Insurers mobilise disaster response specialists to assist affected customers with claims and assessments
- An industry taskforce is established to identify and address issues arising from this catastrophe.
- The ICA's disaster hotline is activated **1800 734 621** offering assistance to policyholders if they have general enquiries about the claims process.

Insurers have received 4,900 claims from this event so far.

LGA	Home	Motor	Commercial	Total
Mid-Coast	779	353	101	1,233
Central Coast (NSW)	593	69	15	677
Lake Macquarie	560	59	11	630
Newcastle	516	63	22	601
Port Macquarie-Hastings	322	93	14	429
Port Stephens	255	27	5	287
Northern Beaches	159	13	2	174
Coffs Harbour	120	33	3	156
Cessnock	110	10	6	126
Maitland	45	8	6	59
Blacktown	45	1	-	46
Liverpool	42	2	3	47
Parramatta	39	2	-	41
Penrith	37	-	1	38

Media: 0432 121 116

comms@insurancecouncil.com.au insurancecouncil.com.au

Kempsey	27	9	1	37
The Hills	37	-	-	37
Other	268	29	22	319
Grand Total	3,954	771	212	4,937

Information about clean up and the claims process can be found on the ICA's [website](#).

Quotes attributable to Andrew Hall, CEO, Insurance Council of Australia:

The decision to upgrade this event reflects the breadth and severity of damage caused to impacted communities. It will also serve to activate additional services and support for affected homeowners and businesses and reassure them that their insurer is there to help.

Seeing the damage here in Taree today it's clear the road to recovery will be a long one. Our number one priority is helping households and businesses in the clean-up and recovery so they can get back on their feet as quickly and safely as possible.

Insurers are on the ground in affected areas right now providing that support, including at a dedicated Insurance Hub in Taree and at Recovery Centres across the region, and this upgrade will ensure all the resources necessary are there to support people through this challenging time.

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.

Insurers also have a presence at Recovery Centres across the region.

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.