

4 October 2007

Householders urged to prepare for bushfire season

As the bushfire season looms large, the Insurance Council has issued a reminder to Australian householders of the need to check that they have appropriate insurance cover - to avoid severe financial loss in the event of a disaster striking this bushfire season.

“As part of good preparations for the bushfire season, it is important for householders to assess that they have the right level of insurance cover for their homes, contents and motor vehicles. This is essential for people who live in areas prone to bushfires.” Executive Director of the Insurance Council, Kerrie Kelly said today.

“An insurance policy forms a key part of risk management to protect your valuable assets. With the bushfire season upon us now is the time to re-assess the value of your home and your contents especially if you are located close to a national park or have had bushfire warnings in the past.”

Ms Kelly strongly advised that together with hazard reduction programs, all householders undertake a detailed review of their insurance needs, especially the cost of replacing all assets, both inside and outside the home.

Some simple steps for householders to follow to ensure they have the appropriate level of insurance cover include:

- Check that you have a current insurance policy for all assets (e.g. home and contents, motor vehicle, boat and caravan) that could be affected by a bushfire.
- Place realistic values on the cost of replacing your contents and home should disaster strike.
- Do this by undertaking a detailed room-by-room evaluation and inventory of contents.
- Use the on-line calculators provided by general insurers to calculate the replacement cost.
- Householders that live in a high risk bushfire area should consider obtaining a quote for the cost of a complete rebuild of their property, this can be sought from a registered builder.
- Read your insurance policy carefully and make sure you understand what level of cover you have purchased, that is what you are and are not covered for. Be aware of any exclusions in your policy and consider if you need to buy additional cover.
- Purchase an insurance product that suits your individual circumstances and mitigates your individual risk as much as possible.

“The personal and community impact and cost of a bushfire disaster are potentially enormous if total loss occurs. In Australia nearly 1.8 million households or 23% of all Australian households do not have any home and contents insurance at all.” Ms Kelly said.

The Australian community can, through products provided by the general insurance industry, manage and mitigate against the potential losses caused by natural disasters, like bushfires, by purchasing insurance. In addition, the cost of funding essential fire services need to be equitably distributed across the Australian community in each state and territory.

“The Australian general insurance market is highly competitive and consumers should shop around to find the right insurance product at the right price to suit their needs – before disaster strikes.” Ms Kelly said.

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