

November 3, 2011

Check policies before natural disaster season hits

The Insurance Council of Australia (ICA) today urged property owners and occupiers to ensure they have appropriate insurance policies following the release of the Tropical Cyclone Season Outlook by the Bureau of Meteorology.

The Executive Director and CEO of the ICA, Mr Rob Whelan, advised households and businesses, especially those in northern regions, to make sure they have the cover they need as the peak season for natural disasters draws closer.

“The weather bureau says Australia has an 80 per cent chance of having more than the long-term average number of cyclones this season,” Mr Whelan said. “That’s on top of high bushfire danger in some parts of Australia.

“We need to avoid a situation where property owners do not have appropriate cover for risks to their property, whether it’s cyclones, bushfires or floods.”

Next week, the ICA is advertising in major metropolitan newspapers to advise policyholders to review their insurance policies.

Mr Whelan said: “We are urging all Australians to double check their policies, call their insurers and make certain they have insurance appropriate for their level of risk.”

The ICA last month announced its support for the launch of Green Cross Australia’s HardenUp website, which provides consumers with information about the severe weather history of their suburb.

“When owners and residents have the knowledge available of the risks involved to their property, they are more inclined to buy the cover that is right for them,” Mr Whelan said.

“HardenUp can provide people with crucial information about risks to their property. We have already seen the recent launch of flood mapping websites by the Ipswich Council and Queensland Government, and now private initiatives, including HardenUp, are also available.”

The public provision of disaster risk information has been a key objective of the ICA.

“The best approach for tackling natural disasters is planning and mitigation,” Mr Whelan said.

“Insurance does not stop disasters from occurring, but appropriate cover will help you get back on your feet if a disaster strikes.

“The proof of the effectiveness of insurance is borne out by the fact the industry is paying out \$3.7 billion to policyholders following the 2011 Queensland floods and Cyclone Yasi.

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“That’s on top of \$560 million being paid to policyholders for this year’s other catastrophes – the storms and floods in Victoria and bushfires in Western Australia.

“And last year, across all categories and products, the general insurance industry received 3.3 million claims and paid more than \$36 billion to policyholders.

“By having the best possible information we can reduce the number of Australians financially exposed to natural disasters, and ensure those that are in high and extreme risk areas have appropriate cover.”

Radio newsrooms please note:

A 90sec sound bite from Rob Whelan is attached in MP3 format. Please contact the media adviser on 0432 121 116.

Disaster season insurance checklist:

- Do you have insurance for your home, car or business?
- Could you replace your assets for the amount of insurance cover you have?
- Have you checked the exclusions and limits? All policies are not the same.
- Is your property exposed to flooding? If so, does your policy cover flood damage?
- Do you have special items that may not be covered under a standard policy?
- Have you read your policy and do you understand what is covered and what is not?