

Flood & Storm Surge



How do I get a quote for storm surge cover?

There are very few insurers who will cover this exposure and most exclude it outright. As such, we have found the market for storm surge cover to be almost non-existent. However, if you would like us to make inquiries about this for you, we can do so and advise you of our results. Contact us to discuss a quote.

How do I know if I have flood cover?

Since the changes to the standard definition of flood in 2011, a number of insurance companies now provide "flood cover" automatically based on the address of the insured situation. There are also a number of insurance companies who can provide "flood cover" as an optional extra. To be sure what your level of cover is you will need to check your policy schedule to see if it indicates that you have a flood extension on your policy or check your policy wording to see if it is covered and to what extent. It is always recommended that you read the product disclosure statement (PDS) or contact your insurance broker to confirm your level of cover.

What do I do if I feel I am being treated unfairly?

The insurance industry is regulated by the Australian Prudential Regulatory Authority (APRA) and there is an industry Code of

Practice. There is also an Internal Dispute Resolution (IDR) process where policy-holders can appeal the decision with their insurer or if you are unable to resolve your complaint with your insurer, you can lodge a complaint with the independent complaints resolution scheme, Financial Ombudsman Service (FOS). Their phone number is **1300 780 808**.

What should I do if I disagree with a settlement?

If you are unhappy with a decision you can appeal it or contact the Financial Ombudsman Service (FOS) for assistance. The Financial Ombudsman Service has established a flood victims' hotline for anyone seeking information on insurance claims, financial hardship and other financial issues experienced as a result of the floods. The number is **1800 337 444**.

Where can I go to find out more information?

Should you wish to discuss any of the above questions further or seek clarification on a particular query, please do not hesitate to contact us on **(07) 4040 4444** or **1800 937 111**.

Alternatively you can visit the Insurance Council of Australia web site www.insurancecouncil.com.au and read the link article "Consumer Tips for Flood Insurance".

FLOOD INSURANCE GUIDE

VERSION 1.2 | EFFECTIVE: 09/02/2015

Your insurance questions answered...



Flood & Storm Surge...What do I need to know?

At JVIB we understand that it can be difficult to make sense of the insurance definitions of flood and storm surge. To help relieve some of the confusion we have put together some helpful information to assist you in understanding it better.

What is the insurance definition of flood?

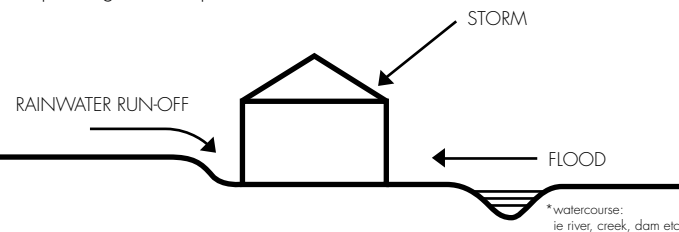
The standard definition of flood as defined in the Insurance Contracts Act is:

Flood means the covering of normally dry land by water that has escaped or been released from the normal confines of:

- A. Any lake, or any river, creek or other natural watercourse, whether or not altered or modified; or
- B. Any reservoir, canal or dam.

The standard definition of flood insurance was finalised in November 2011 and has since been awaiting ministerial approval. The regulations provided for a two-year transition period, which provided insurers with a sufficient lead time to update the content of product disclosure statements (PDS), retrain staff and implement any necessary system changes. This definition applies to home building and contents (combined or individual policies); small business; and strata titled insurance contracts across Australia.

In Simple language: Any water that escapes or overflows when a River / Creek / Lake / Reservoir / Channel / Canal or Dam bursts its banks is deemed a Flood. Recent examples of this are: Fitzroy River at Rockhampton / Burnett River at Bundaberg & the Brisbane River in Brisbane. (Below is a simple diagram to help illustrate the above.)



What is the insurance definition of storm surge?

Many insurance policies do not have a definition for storm surge even though it is listed as an exclusion. A storm surge is an offshore rise of seawater associated with a low pressure weather system, typically cyclones. The worst impacts occur when the storm surge arrives on top of a high tide. When this happens, seawater can reach areas that might otherwise have been safe. On top of this are pounding waves generated by the powerful winds. For more information on Storm Surge go to www.bom.gov.au

What about water damage from backed up drains?

This is defined as "Rainwater" damage and you are covered. Rainwater backup is often clear water and leaves very little sediment behind. For example, in 2009 areas of Cairns QLD, (particularly Manunda and Westcourt) suffered ingress of water in a deluge. Because the volume of rainwater meant that the city's drainage system could not cope, all these losses were treated as rainwater damage by insurers. A similar event occurred in Mackay QLD a year later. All were treated as rainwater damage claims.

In Simple Language: - There was so much rain that the water couldn't get away into the rivers and creeks because they were already full.

How do I determine if my home is at risk?

Flood maps are typically available from your Local Council. In determining if there is a flood or storm surge risk to your property you should approach your Local Council and ask if your property is known to be affected by these types of flooding. Many States require councils to develop and implement natural hazards and environmental information as part of development controls. If you have not been given flood/storm surge risk information as part of your property purchasing process you should seek out the Local Council and request whatever information is available.

How do I get a quote for flood cover?

Some insurance companies will provide cover for flood, while many expressly exclude it. Also policies contain different flood coverage terms, insurers owned by the same corporations will provide different levels of cover and cover varies between states depending on the extent of flood mapping data provided by state and local governments.

We can approach your insurer to request if they can provide a flood cover extension, however we cannot guarantee success. If they are able to offer this extension, please be aware that there is usually an additional premium and sometimes even specific flood damage excess.

