

Media Release

Thursday December 1, 2016



Understand
Insurance

Fire services back effort to raise awareness of bushfire exposure to combat underinsurance

The New South Wales Rural Fire Service, South Australian Country Fire Service and www.understandinsurance.com.au are encouraging households to assess their bushfire exposure this disaster season.

Newly released data from the Insurance Council of Australia (ICA) shows 1.75 million blocks of land nationwide may be impacted by bushfires.

They include:

- Tasmania – 64 per cent of blocks
- Western Australia – 34 per cent
- Victoria – 24 per cent
- New South Wales – 22 per cent
- South Australia – 19 per cent

The warning comes as the Bushfire and Natural Hazards Cooperative Research Centre (BNHCRC) upgraded its seasonal bushfire outlook for the second time due to increased risk across southern and eastern Australia.

While factors such as how close a home is to bushland and the slope of the land can affect a home's physical vulnerability to bushfires, they also impact on insurance needs by influencing rebuilding costs.

Understand Insurance spokesman Campbell Fuller says changes to national building standards for homes on bushfire-prone land have increased the risk of underinsurance for some households.

"State and local governments have introduced tougher building standards over recent years to make homes in bushfire-prone areas more resilient. This is a positive step, but it can substantially raise rebuilding costs, especially for properties built before 2009," Mr Fuller says.

"Households that aren't aware of this may choose to insure their property for a sum that's too low to fully rebuild their home or replace its contents.

"After a bushfire or other disaster, they are then forced to borrow money, or sacrifice size and features to rebuild their home on a smaller budget. In some cases, they simply can't afford to rebuild."

Mr Fuller says households should contact their local council for information about the bushfire zoning of their property.

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“If your home is in a designated bushfire-prone area, your council can provide you with information about what development controls are applicable at that location. Make sure you take those into account when calculating how much insurance you need to purchase. The free and independent insurance calculator at www.understandinsurance.com.au can assist with the process by incorporating a wide range of factors that influence rebuilding costs.”

With the updated BNHCRC seasonal outlook now showing above-average fire risk in parts of South Australia, CFS Chief Officer Greg Nettleton says residents in exposed areas should start thinking now how they will prepare for a bushfire.

“Bushfires will happen again this season. You need to have a plan and know what you will do if, and when, a fire starts,” Chief Officer Nettleton says.

NSW RFS Commissioner Shane Fitzsimmons says the heavy rainfall across his state over recent months had seen significant vegetation growth, increasing the risk of grass fires.

“Everybody needs to know what they will do if faced with this type of emergency. Preparing for bush and grass fires is easier than people may think. It starts with simply talking to your family about what you would do if a bush fire was to start nearby,” Commissioner Fitzsimmons says.

In addition to bushfires, Australians face a greater risk of storms, cyclones and flooding over the summer months.

“Wherever you live, it’s important to be aware of the hazards you face and take steps to lower your risk,” Mr Fuller says.

For more information on disaster preparation, visit <http://understandinsurance.com.au/preparing-for-disasters>.

You can find the Understand Insurance’s free and independent insurance calculators [here](#).

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