

Media Release

Saturday April 23, 2016



Understand
Insurance

Don't underestimate the threat of winter storms

A year after the Anzac Day hailstorm that devastated parts of Sydney, Understand Insurance is urging households to start preparing their homes to withstand the impact of severe winter storms.

UnderstandInsurance.com.au spokesperson Campbell Fuller warns storms often leave overall repair bills that are comparable to cyclones when they strike heavily populated areas – even though damage to individual properties is usually much smaller.

“In April last year, Sydney and the Hunter region of New South Wales were hammered by a severe low pressure system that produced more than 135,000 claims, and insured losses of \$950 million,” says Mr Fuller.

“Just days later, the Anzac Day hailstorm caused insured losses in Sydney of \$417 million from almost 17,000 claims. The combined cost to insurers of those two events is equivalent to Cyclone Yasi.”

Though the public is well aware of the risk of cyclones, floods and bushfires, Mr Fuller says many households don't realise that storms can cause large-scale damage.

“The damage inflicted by storms on individual properties is often comparatively minor compared with bushfires, floods or cyclones, but the population density of major cities can leave insurers with gigantic repair bills when storms strike,” he says.

“A hailstorm that struck Melbourne in March 2010 left an insurance damage bill of more than \$1 billion, as did a hailstorm which hit Perth just a few weeks later. Extreme weather in south-east Queensland in late May last year left insured losses of \$349 million (see table below).

“It's clear that storms can't be underestimated, so it's vital both homeowners and renters take steps to physically and financially protect their property and contents.

“We suggest policyholders check their level of building and contents insurance cover and update it if necessary.”

Key steps householders can take to prepare for storms are:

- Check the amount of coverage in home, contents and motor vehicle policies to prevent underinsurance. Free calculators are available here: <http://understandinsurance.com.au/calculators>
- Check that guttering and piping are not blocked and that the roof is in good condition

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- Prepare a room-by-room inventory and take pictures of the contents of the home. This will help insurers speed up a claim caused by a storm
- Unplug non-essential electrical equipment well before the storm arrives, and install surge protectors
- Prepare a storm readiness kit, including a torch, radio, candles, matches, new batteries and any important documents or contact numbers
- Know where and how to turn off mains power, water, gas and solar power
- Decide on the best strategy for protecting pets

For more tips on how to protect against storm damage, visit:

<http://understandinsurance.com.au/types-of-disasters/storms>

Understand Insurance is a financial literacy initiative of the [Insurance Council of Australia](#).

Top 10 most damaging Australian storms of the past decade (excl. cyclones)*

1. NSW east coast low, June 9-11 2007. Insured losses of \$1.48 billion
2. Brisbane hailstorm, November 27, 2014. \$1.39 billion
3. Perth hailstorm, March 22, 2016. \$1.05 billion
4. Melbourne hailstorm, March 6, 2010. \$1.04 billion
5. East coast low (NSW), April 22, 2015. \$950 million
6. Christmas Day hailstorm (Melbourne), December 25, 2011. \$729 million
7. Blacktown hailstorm (Sydney), December 9, 2007. \$415 million
8. South-east Queensland extreme weather, May 27, 2015. \$349 million
9. Queensland storms, November 16-22, 2008. \$309 million
10. Kurnell tornado (Sydney), December 16, 2015. \$206 million

*Loss figures have not been adjusted for inflation

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