

FLOOD AND STORMWATER EXPLAINED

Australia has a standard insurance definition of flood, introduced to remove any confusion with other water perils.

"Flood is the covering of normally dry land by water that has escaped or been released from the normal confines of any lake, or any river, creek or other natural watercourse, whether or not altered or modified or any reservoir, canal, or dam."



This shouldn't be mistaken for stormwater, which is rainwater hitting the ground and building up or flowing down streets.

Strata insurance and flood cover

- Your insurance broker or strata manager can tell you if flood cover is included in your strata insurance policy. Alternatively, you can access the strata records or the minutes of the last AGM to see what insurance cover was agreed upon.
- Many people aren't aware that flood cover isn't automatically included in strata insurance as it's not available in all areas.
- The risk of a flood occurring is reflected in the cost of the premium. Property owners with a high flood risk will pay a higher premium than those with a lower or no flood risk.
- Sometimes flood cover is simply too expensive and not chosen as an option.

Strata insurance and stormwater cover

- If your property is inundated by water via the street or surrounding area, but the water hasn't come from a natural watercourse (as outlined in the flood definition), you should be covered for any damage as this is considered stormwater damage. Please check your Policy Schedule to ensure it hasn't been endorsed to limit or exclude pluvial or surface water flood.
- If a basement car park has been inundated by stormwater, a strata policy will contribute to the removal cost, which will be limited to the capped limit in the policy. Car park water is contaminated with petroleum products and must be disposed of at a special facility for hazardous chemicals. The water can't be disbursed into stormwater drains or down gutters. So, before deciding on a contractor to remove the water, always obtain more than one quote because disposing of contaminated water can be an expense not wholly covered by insurance.
- Carpet (and all loose floor coverings) within a lot isn't included in strata insurance and is an owner's responsibility. Damage must be claimed on their contents policy. It's an owner's responsibility and cost to remove the wet carpet and underlay as quickly as possible as it will cause significant damage to the building structure if left in place. Carpet that's been submerged is rarely salvageable but the owner's contents insurer may need to inspect the carpet, so the owner's permission is required before the carpet is disposed of.
- If owners have floating timber floors, please check the strata policy to ensure cover is provided. If it isn't, owners will need to include the cost to replace the floor in their contents insurance. Within strata insurance, this may be an optional cover for an additional premium.

How insurers determine flood risk

The general insurance industry has developed the National Flood Information Database (NFID) for insurers to use when determining the flood risk of a property. The NFID contains 13.7 million property addresses, overlaid with the known flood risk based on government flood mapping.

Most insurers calculate the insurance premium based on the information in the NFID, along with criteria such as building type, location and claims history.

What you need to do before and during a flood event

- Ensure your safety and that of your family, friends and pets. Our homes and possessions are important, but lives matter more.
- Move your contents to the highest level in your home.
- Place sandbags in the toilet and over the shower and floor drainage holes to prevent sewerage backflowing into your property.
- Take photos – your digital camera will date and time-stamp photos that can provide valuable evidence about whether flooding or stormwater entered your property.
- Gather together your most precious possessions, plus personal identification, bank account information and insurance details, in case you need to evacuate.
- If you're evacuating, let others know where you're going.
- Close the main gas valve. Move or tie down gas cylinders and bottles.
- Remove all fuses to minimise the danger of power surges when the power authority returns services to your home. Flip the circuit breaker switch to the OFF position. Unplug all appliances.
- Don't drive through floodwater. With water under your wheels, you're no longer in control of your vehicle and roads can quickly be washed away under the water.
- Floodwater is dangerous and contains bacteria, as well as snakes, spiders and debris. Avoid wading through or entering floodwater, especially with open wounds.

After the water has receded

- Carry out immediate make-safe works or engage contractors to do so. This includes electrical and other safety works such as propping up buildings that are in danger of collapse.
- Itemise the damage to your property, keeping contents and building separate.
- Take clear photos before cleaning up and disposing of items. This includes damaged items such as carpets, furniture, food and soft furnishings that will continue to spoil. Make a note of any model/serial number plates on electrical equipment.
- Wear protective equipment when cleaning up, including waterproof gloves and boots.
- Don't authorise or start with any repair works without your insurer's authority.
- If your property has been inundated or is wet when you return, don't turn on anything electrical, including lights until they're checked by an electrician.

Four steps to making a claim

1. Contact your insurance broker or strata manager who will lodge the claim on behalf of you and others affected at your property.
 - Usually, only one claim is required for a strata property so try to coordinate contact details from other owners as it helps minimise the number of calls.
 - Provide as much information as you can in the initial call to make assessing the extent of damage and the next steps quicker.

What happens next and how long will restoration take?

- Please be patient.
- Catastrophic events stretch resources to their limits. Loss Adjusters and contractors will get to you as soon as they can.
- Where damage is minor, you can obtain quotes and submit them to your insurer with photos. Most insurers will provide efficient approvals if the quote is reasonable and matches the photos.

2. Advise your strata manager if multiple units are damaged, even if you don't have your neighbour's contact information or you haven't seen their damage. If water has entered all units at the same level, the damage will be similar in each.
3. If a Loss Adjuster is appointed, please try to coordinate with other owners for one inspection time as resources are always limited after a major event and time is precious.
4. For less serious damage, a Panel Repairer may be appointed instead. They'll report directly back to the insurer and if the damage is covered, they will arrange for repairs to begin as soon as possible.

How we can help

You should carefully consider your own specific needs for flood cover. While some areas are more prone to floods, your property may still be at risk of flood damage regardless of where you live.

BCB works with insurers and strata managers to ensure your property is restored quickly. By following the steps above, you can help us coordinate the necessary resources to begin rebuilding as soon as possible.

**If you have any questions about flood cover,
please contact your local BCB office.**

The information provided is general. It does not constitute legal advice and should not be relied upon as legal advice. BCB recommends seeking advice from a qualified lawyer on any legal issues affecting you before acting on any legal matter. Whilst BCB endeavours to ensure the content of this information sheet is accurate, it does not represent or warrant its accuracy, adequacy or completeness and is not responsible for any loss suffered as a result of or in relation to the use of this information.

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QUESTIONS?

Please contact your nearest BCB office for any queries or advice.

