

WHEN IS A FLOOD NOT A FLOOD?

...when it's stormwater, of course.

To avoid confusing flood with other water perils, Australia has had a standard definition of flood since 2012.

It applies to home and contents, small business and domestic strata-title insurance policies.



Flood

"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."

Stormwater*

Rainwater hitting the ground and building up or flowing down streets.

How insurers determine flood risk

Insurers use the National Flood Information Database (NFID) to determine a property's flood risk. The NFID contains 13.7 million property addresses, overlaid with the known flood risk based on government flood mapping.

Most insurers calculate insurance premiums based on the information in the NFID, along with criteria such as building type, location and claims history. Properties with a high flood risk will have a higher premium than those with a lower or no flood risk.

Strata insurance and flood cover

You should carefully consider your need 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.

Many people aren't aware that flood cover isn't automatically included in strata insurance, as it's not available in all areas. Where flood cover is available, it can be selected as an additional cover option. But sometimes flood cover is too expensive and strata schemes choose not to include it.

Your insurance broker or strata manager can tell you if flood cover is included in your strata insurance policy. You can also access the strata records or the minutes of the last AGM to see what insurance cover was agreed upon.

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), this is considered stormwater damage. You should generally be covered for any damage, but always check your policy documents to ensure stormwater doesn't have a cover limit or is an exclusion.

If a basement car park is inundated by stormwater, strata insurance will contribute to the removal cost, but there's usually a cap or limit on the amount of any claim.

Water in a car park isn't easy or cheap to remove as it's 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 choosing a contractor to remove the water, get several quotes to compare costs because strata insurance won't cover the total cost, and the strata scheme is responsible for paying the balance.

Carpet (and all loose floor coverings) within a lot isn't included in strata insurance and is the owner's responsibility. Any damage must be claimed on an owner's contents policy.

Owners are responsible for drying, or removing and disposing of, wet carpet in their unit, but should check with their contents insurer before disposing of it.

Wet carpet and underlay must either be dried by a professional restoration company or removed as quickly as possible to avoid damage to the building structure.

What you need to do before and during a flood event

Being prepared is the key to minimising disruption from 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 important possessions, personal identification, bank account information and insurance details, in case you need to evacuate.
- 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 event

When the water has receded, it's time to assess the damage.

- Carry out immediate make-safe work or engage contractors to do this. Although strata insurance has a cost limit for emergency works, stopping further damage and minimising risk to people is a policy requirement.
- 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.
- Flood debris is dangerous and often contains bacteria and items that could cause significant harm. Take care when cleaning up. Wear protective equipment such as waterproof gloves and boots.
- Don't authorise or start any repairs, other than those required to make the area safe, 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 an electrician checks them.

***There is no standard definition of stormwater, but this is generally accepted.**

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**If you want to learn more about flood and stormwater,
please contact Nick Swallow at nick.swallow@bcb.com.au or on 0434 687 557.**