

Flood Insurance

This fact sheet is for information only. You s

Main ideas

- Have your insurance policy in place before a flood.
- Know what your policy covers – policies vary between insurers.
- Get evidence of loss and damage. Photos/videos can help.
- Negotiate with the insurer. Tell them how you would like the claim settled.
- Get legal advice if you are unsure about your policy or settlement.

In this fact sheet:

Preparing for flood

Understand your policy

Definition of flood
Definition of storm, rainwater, run-of
Type of cover: replacement or indemnity
Under or over insurance
Additional benefits

Claiming on your policy

1. Contact your insurer
2. The insurer will appoint an assessor
3. Negotiate a settlement

How long should the claim take?

Complaining about an insurer

Keeping on top of your finances during an insurance claim

Contact your creditors
Talk with a free financial counsellor

Preparing for flood

If floodwaters are already
This is not an emergency guide.
If you need help before disaster strikes, contact your local council or fire department.
• **Home Building Insurance**

- **Home Contents Insurance** cover for personal belongings
- **Motor Vehicle Insurance** cover for cars, motorcycles,
- **Accident or Sickness Insurance, Income Protection Insurance, or Consumer Credit Insurance** cover for injury, disability, death
- **Life Insurance**

Your insurer will have a copy of your policy if you are a member of the Club.

Understand your policy

Most home and contents insurance policies use the following definition of 'flood':

The covering of normally dry land by water that has escaped or been released from the normal confines of any of the following:

- o A lake (whether or not it has been altered or modified);
- o A river (whether or not it has been altered or modified);
- o A creek (whether or not it has been altered or modified);
- o Another natural watercourse (whether or not it has been altered or modified);
- o A reservoir;
- o A canal;
- o A dam.

By checking your policy, you can find out what is covered and what is not covered. **Check your policy.**

Definition of 'storm', 'rainwater', 'run-off'

Examples of a definition of storm, rainwater or run-off:

Storm you are not sure what your policy covers

If loss or damage is caused by storm. (For example, hail damages your roof.)

Covered

- violent wind, cyclone or tornado
- rain, thunderstorm, hail or snow
- sudden, excessive run-off of water as a direct result of a storm in your local area....

Not covered

- ... loss or damage caused by flood...

Storm, rainwater or run-off

We will pay for loss or damage caused by storm, rainwater or run-off ...

- "Storm" means violent wind (including cyclones and tornadoes), thunderstorms and hail which may be accompanied by rain or snow;
- "Rainwater" means rain falling naturally from the sky onto the buildings and/or ground;
- "Run-off" means rainwater that has collected on or has flowed across normally dry ground or has overflowed from swimming pools or spas.

We will not pay for loss or damage caused by:

- Flood; or
- Flood water combined with run-off and/or rainwater.

Type of cover: replacement or indemnity

Indemnity cover: The policy will generally cover you for the cost of repairs to your property.

Replacement cover: The policy will generally cover you for the cost of replacing your property with new property of similar quality and value.

Under or overinsurance

Underinsurance: If you have underinsured your property, your insurer may only pay for the amount of your policy limit.

Overinsurance: Some insurers will not pay for the full value of your property if you are overinsured.

Additional benefits: When you take out a policy, it is important to check for any additional benefits that may be included.

generally: Check your policy for any additional benefits that may be included.

Emergency or temporary accommodation

If you can no longer live in your home, your insurer may provide temporary accommodation. *We [the insurer] will pay the reasonable costs incurred by you for comparable accommodation for up to 12 months while your building is being rebuilt or repaired.*

Demolition / removal of debris: Check your policy for any additional benefits that may be included.

Architects, surveyors, and legal fees: Your policy may cover for the services of architects, surveyors, and legal fees.

Costs of complying with new regulations: Your policy may cover the cost of bringing your property up to date with new regulations.

We will also pay any additional costs required for your buildings to comply with government or local authority by-laws.

If you have total replacement cover, you may be able to claim for the cost of temporary accommodation.

Claiming on your policy

Insurers must respond to catastrophes and disasters. **Insurance claims management services** are available to help you with your claim.

1. Contact your insurer as soon as possible to report the damage and start the claims process.

If your insurer says you are not covered for flood damage, you should consider taking legal action.

Get legal advice to help you argue if you believe your insurer is not covering you for flood damage.

Proving damage was caused by storm or rainwater

Provide evidence to support a storm damage claim

2. The insurer will appoint an assessor

- When an assessor arrives at the property to assess the damage, you should:
- **Your safety is the highest priority.** You must take reasonable steps to ensure your safety and the safety of others.
 - **Protect your belongings if it is safe to do so.** Make a list of all the damaged items and buildings.
 - **Take photos of damaged items and buildings.** Try to get the insurer to take photos with you.
 - **Do not throw away any items unless it is a danger.**

Some insurers ask for a room-by-room list of damaged items.

Storm and rainwater damage vs flood damage

- If you do not have flood cover, your claim will not be paid unless:
- **If rainwater was the entire cause of the damage**, your claim will not be paid.
 - **If flood water was the entire cause of the damage**, your claim will not be paid.
 - **If rainwater was the primary cause of the damage and flood water caused minimal damage**, your claim should be paid under storm damage cover.
 - **If flood water was the primary cause of the damage and rainwater caused minimal damage**, your claim should be paid under flood damage cover.
 - **If rainwater and flood water were both primary causes of the damage**, your claim should be paid under both types of cover.
 - **If flood and rainwater mixed together before causing the damage**, your claim should be paid under both types of cover.

Working out the cause of the damage is important. If your insurer rejects your claim

3. Negotiate a settlement

How long should the claim take?

Get legal advice if they say no. If you are in your insurer must fast-track your urgent financial need

Government emergency payments may also be available

Complaining about an insurer

Keeping on top of your finances during an insurance claim

Contact your creditors

Talk with a free financial counsellor

For more information, contact us on 1800 000 000

Need more help?

For a full list of financial rights legal centres, visit www.financialrights.org.au/financial-rights-legal-centre

Legal Advice

Find your local

- [community legal centre](#) in your state
- [Legal Aid](#) in your state or territory
- [NSW LawAccess](#) has the Disaster Legal Help Victoria
- [Victoria Legal Aid](#) if you are a tenant affected by a flood, contact your local [Tenants Union](#) in your state or territory

Other services

For a full list of other services, visit www.financialrights.org.au/financial-rights-legal-centre

Last updated: March 2025