

Floods and Insurance Fact Sheet

The terms of an insurance policy will expressly state whether or not flood cover is included. If you are not sure, call your insurance company.

Even if you don't have flood cover, your policy should cover storm or rainwater damage, which is different to flooding.

Insurers charge a premium for insuring households in flood-prone areas, or may decide to refuse to insure for flood damage. Some policies insure for flood damage but only up to a maximum amount.

What is "flooding"?

The standard definition of flooding that applies to all household insurance policies covering homes and contents is as follows:

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.*

Storm or rainwater damage is different. This means water falling from the sky which has inundated property causing damage. This might be considered flash-flooding and can be distinguished from flooding that might not be associated with intense rainfall.

Finally, most household insurance policies will exclude damage caused by the sea or inundation of property by seawater. However, some policies may include storm surges, so it is very important to check your policy wording.

What is covered under my policy?

Most homeowners have both house and contents insurance, which covers buildings and your possessions (furniture, whitegoods, clothing, curtains, floor coverings, and other personal effects).

If your home is uninhabitable, your policy may provide for temporary accommodation for a limited period while your home is being repaired.

If you live in a rental property, you can choose to have contents insurance to cover damage to your possessions. Remember that an insurance policy only covers things you own, so damage caused to carpets or other items in your rented property are the responsibility of the landlord to replace or fix.

Dealing with your insurer

It is important to lodge your claim quickly so that it can be dealt with by the insurer. You will need to gather evidence to support your claim, including making a list of the damaged items, taking photographs of the damage, getting together receipts and writing down what happened.

Do not make any repairs without talking to your insurer first. You may need to protect your home from further damage, so only do what is absolutely necessary.

Once your claim is lodged, you will be asked questions and most likely visited by an assessor or loss adjuster, especially if the claim is large. Often assessors are in an area where many homes have been damaged, and it is important to co-operate with any reasonable request by the insurer.

Do not be discouraged from lodging a claim by anyone representing the insurer. You are entitled to have your claim properly investigated and considered.

The Insurance Code of Practice

Insurers are covered by a [Code of Practice](#) which can be found online.

The Code sets out time limits for responding to and paying out claims. If a flood event is declared a catastrophe, some of the time limits change.

If you are experiencing hardship, you can ask for your claim to be fast tracked.

If your claim is refused, the insurer must give you reasons for the refusal in writing.

What if I disagree with my insurer's decision, or they are taking too long?

You have the right to ask for a review of the decision. The insurer must have an internal process to look at your complaint and if you are not happy with the outcome of the internal review, you can take your complaint to the [Australian Financial Complaints Authority](#) (AFCA).

AFCA is an independent dispute resolution body that will investigate your complaint free of charge and if necessary make a determination which will be binding on the insurer. If you are unsatisfied with the decision of AFCA, get legal advice.

Where can I get more information?

If you don't understand what you are being told by your insurer, get legal advice. You can get free help over the phone from the [Legal Services Commission of South Australia](#) on 1300 366 424.

Your insurer will have copies of the product disclosure statement on its website so you can check the policy terms, or you can call the insurer and ask for a copy.

If you do not know who your insurer is, call the [Insurance Council of Australia](#) on 1800 734 621.

There is more information about insurance generally with more detail about flood insurance on the [Understand Insurance website](#), an initiative of the Insurance Council of Australia.

This information is general and not a substitute for legal advice. The Legal Services Commission provides free advice for most legal problems. Contact the Legal Helpline 1300 366 424. www.lsc.sa.gov.au