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Early bushfires highlight importance of insurance

Recent bushfires around Sydney and South East Queensland are a sobering reminder to consumers and property owners to make sure they have adequate insurance arrangements in place ahead of the summer season, according to the National Insurance Brokers Association (NIBA).

Following a hot 2012 summer and a dry 2013 winter, the fires in Sydney commenced on the back of the warmest overnight and day temperatures recorded so early in spring in more than 100 years.

As the official bushfire season begins, meteorologists are warning that Sydney could continue to see warmer than normal conditions for most of October, increasing the risk of blazes.

NIBA's Chief Executive Officer, Dallas Booth, said that the fires highlight the need for consumers in high risk areas in particular to seek expert advice about insurance cover as soon as possible.

"Insurance can be a very complex product to understand, so we recommend consumers speak to an insurance broker to make sure that the things that are most important to them are adequately covered," said Mr Booth.

"Brokers know the insurance market and they really understand the different policy wordings offered by the various insurance companies, so their advice means consumers can be confident that they have the very best cover in place should the worst happen.

"For example, if a bushfire damages your property are fences and landscaped gardens covered? If you have a valuable collection of wine, jewellery or art or if you have expensive tools, do you need to cover them separately?

"The early on-set of bushfires is a stark reminder of how quickly natural catastrophes can strike, and why it's so important to have the right level of cover."

Mr Booth added that many people did not realise that insurance brokers deal with personal as well as commercial insurance and their role is to represent the customer, not the insurer.

“Brokers are qualified to give professional advice tailored to a policyholder’s personal needs and circumstances, and their role is to get the best deal for the policyholder – including in the unfortunate event of a claim being made.”

NIBA operates a website, www.needabroker.com.au, and an inquiry number: 1300-53-10-73, which enables consumers to identify insurance brokers in their area. The website also provides information about understanding insurance, consumer issues and what services a broker can provide.

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NIBA is a not-for-profit, independent industry association representing 500 firms and more than 2600 intermediaries, who handle almost 90% of the commercial insurance transacted in Australia. Brokers play a major role in insurance distribution, handling \$17 billion in premiums annually and placing around half of Australia’s total insurance business.