

Preparation for Disaster

Financial Considerations

Australia is a land of extremes and can be affected by a range of disasters. With an expected increase in the frequency and ferocity of dangerous weather events, it is important to identify what disasters your region may be exposed to and to consider what you can prepare for - from a financial perspective.

Disasters include bushfire, extreme weather events, floods and earthquakes, and preparation is a significant factor in financial resilience through disaster.

FINANCIAL CONSIDERATION

Insurance

What, if any, disaster would you be at risk of? Flood? Bushfire? Storm?

Know the hazards in your area. You can find out if your home is in a disaster-prone area by contacting your local council.

What to insure?





Take a household inventory by cataloguing and photographing your home and belongings, and store copies in a safe location or online. Your inventory can be used to determine how much insurance coverage you need, and will be invaluable if you need to claim following a disaster.

Listing and photographing your belongings might sound tedious, but recalling the contents of your home after experiencing a disaster can be traumatic and often impossible.

What existing insurance do you have?

Review your insurance policies and confirm you have adequate cover against each type of disaster you are vulnerable to, and check your sum insured to avoid being underinsured.

Common policies that may have cover damages from a disaster in include:

 Building Insurance  Contents Insurance  Motor Vehicle Insurance  Income Protection Insurance

Is your insurance up to date? Whose name is it in?

Type of Insurance	Insurance Provider	Name of Policy Holder and Policy Number	Who will receive funds paid out
Building			
Contents			
Motor Vehicle			
Motor Vehicle 2			
Income Protection			
Business			
Other			

Check carefully what is in the policy and who is in the policy, to understand who would receive any claimed payouts. If you are partnered, have you discussed how insurance claim decisions will be made and by who, should a disaster happen?

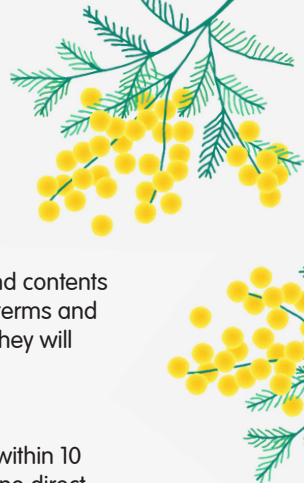
Having a conversation about expectations of responsibilities and decision making on how the funds would be handled and used is an important part of preparation.

For all matters in this resource:

Can you access this information? Can you understand this information?

If you have any concerns with accessing or understanding this information, please talk to your financial counsellor or financial capability worker. You can also contact WIREs Phone Support Line on 1300 134 130 and refer to WIREs My Money Guide: wire.org.au/resources/my-money-conversation-kit

If you have any safety concerns with accessing this information or discussing these matters with your partner or family, please contact National Family Violence service: 1800 RESPECT on 1800 737 732 or visit 1800respect.org.au



Getting Insurance or Updating Insurance

Product Disclosure Statement (PDS)

A Key Fact Sheet summarising what events a policy covers and doesn't cover is provided when home building and contents insurance is purchased. However, it is important to read the Product Disclosure Statement to understand the full terms and conditions of the policy. Insurance policies vary in wording according to events and specific details of the events they will cover, and what is excluded.

Flood & Storm: Understand how your policy defines flood, storm, surge, run-off and rainwater damage.

Bushfire: Understand how your policy insures you for damage that was not caused by direct flame or no flames within 10 metres of your home. Some policies may exclude damage from burn marks, smoke or melting where there was no direct flame damage. Check that your insurance covers temporary accommodation and check if you have any obligation to maintain precautions such as keeping gutters and outdoor areas free from leaf litter.

Underinsurance & Over-insurance

Insurers are only obligated to cover you up to the amount you are insured for, and cover the amount of your actual loss. Underinsurance with indemnity cover may not allow you enough to rebuild, especially if costs go up due to increased demand for building material and changes to building codes. Over-insurance does not mean you get excess funds if the cost to rebuild is lower than your insured amount.

If you don't fully understand the PDS you should phone your insurance company and ask for more information. You must be satisfied the policy is what you need before you purchase it.

POLICIES WILL NOT COVER ANY EVENT THAT HAPPENS IN THE FIRST 48-72 HOURS OF PURCHASE - get organised early.

For more information on choosing insurance, see: www.moneysmart.gov.au/home-insurance/choosing-home-insurance

For more information on insurance and calculating the value of your belongings, see: www.goodshep.org.au/wp-content/uploads/2020/12/GSM-Financial-Toolkit-Insure-it-its-worth-it.pdf

Insurance To Do:

- Make inventory through lists photos and/or videos
- Review Insurance policies
- Consider how decisions around claims and funds will be made

FINANCIAL CONSIDERATION

Document Protection

After a disaster, important documentation may be damaged or lost entirely. Official documentation takes time and sometimes money to replace, and getting early assistance in an aftermath can be dependent on providing proof of your identification.

Take scans, photographs and copies of your important documents and store copies in a safe location and/or online.

ID documents: Passport, Driving licence, Medicare card

Certificates: Birth certificates, Marriage certificates, Citizenship certificates

Financial information: Land titles, Mortgage papers, Insurance policies, Wills

Document Protection To Do:

- Take scans, photographs and copies of your important documents and store copies in safe location and/or online

- ! **Can you access these documents? If you are unable to access these documents safely, please talk to your financial counsellor, WIRE support line on 1300 134 130, or 1800 RESPECT on 1800 737 732**

FINANCIAL CONSIDERATION

Emergency Fund

Insurance claims may take some time to organise, and the immediate need in the days during and after a disaster can be easier to navigate if you have an emergency cash fund. Ensure your emergency funds are in a bank account that is in your name, either solely or joint, so you are able to independently access the funds.

If your emergency fund is in joint names, discuss with the joint owner how these funds would be used in the event you have to access them. If your money is in a bank account that is not in your name, please talk to your financial counsellor, or contact WIRE phone support line.

Emergency Fund To Do:

- Ensure you have a bank account in your name
- Consider having enough cash for several days

This resource is client facing and can be used in appointments with clients to explore preparation, and identify any issues that they may experience with accessing and/or understanding information.

This resource was produced as part of WIREs Gender, Disaster and Financial Wellbeing project. The project was funded by the Bushfire Recovery Fund.

