

New Zealand Wild Weather Tracker

Issue 4 – November 2023



Brought to you by:



Contents

Foreword	2
Weather snapshot: March 2023 – August 2023	4
The economic impact	6
North Island floods & Cyclone Gabrielle update	8
Lifecycle of a claim	9
Climate close up: getting ready	10
Community preparedness	11
Emergency checklist	12
Resources and contacts	13

Cover photo: Slash and forestry waste on a Gisborne beach after Cyclone Gabrielle in February 2023.

Photo opposite: Flooded paddocks at Glenduan, Nelson in August 2022.

Photos: NZME



“ New Zealanders are well-known for a ‘can-do’ attitude. I have confidence that managing our natural hazard risks will be no different. As a country, we are fortunate to have highly skilled experts and much goodwill to work together on a solution. ”

Amanda Whiting, Chief Executive AMI, State and NZI Insurance



Many bridges collapsed during Cyclone Gabrielle, cutting off towns and taking months to repair. Photo: NZME

Transition

This year, we have witnessed the impacts of climate change first-hand.

It is no longer ‘news’ to state that wild weather is increasing in frequency and severity.

What is new, however, is defining how we come together as a country to protect New Zealanders from the worst impacts of wild weather, and how we help ensure that insurance remains accessible and affordable for as many people as possible.

As of today, we have paid out more than \$1 billion in claims for the North Island floods and Cyclone Gabrielle.

That is a big headline number, but what it means is that thousands of people have been able to pay for rental accommodation while displaced from their homes, and thousands more have been able to repair their homes, buy new cars, and replace damaged items such as carpets, furniture, and drapes.

It means people have had the means to get back on with their lives after such shocking and sudden dislocation.

Meanwhile, our work continues. We received 51,000 claims for these two events, a volume second only to the Christchurch earthquakes. As of today, we have settled 93% of home claims, 97% of contents, and 99% of motor claims.

We have worked hard to support our customers, while navigating the complex nature of many claims, input from technical experts, and decisions from local authorities.

As we continue to finalise these claims, we must also think about the future.

Continued overleaf...

Brought to you by:



What's next for insurance?

Right now, we can choose to avoid a repeat of the destruction we saw earlier this year. By turning our collective attention to planning, mitigation, and adaptation, we have an opportunity to secure a different outcome when the next storms hit.

In a global context, New Zealand has generally high levels of private insurance. It is in everyone's best interests that this continues, because it means that as a country, we can recover better when disasters occur – as the private and public sectors come together.

We want to help ensure this remains the case.

We believe that the best way to keep insurance available and affordable is by reducing natural hazard risk through good planning decisions, investment in protection and resilience measures, and where necessary, through relocating people away from at-risk properties.

We have been working with local and central government for over a decade on solutions, and we will continue to do so.

New Zealanders are well-known for a 'can-do' attitude. I have confidence that managing our natural hazard risks will be no different. As a country, we are fortunate to have highly skilled experts and much goodwill to work together on a solution.

In my view, this is a transitional time for New Zealand. For our future generations, it is crucial we get it right.

Amanda Whiting,

Chief Executive AMI, State and NZI Insurance

**We make your world a safer place.
Ka haumarū ake i a mātou tō ao.**

Brought to you by:



About this issue

This Wild Weather Tracker records insurance data for weather-related claims received during the six-month period from 1 March 2023 – 31 August 2023. Claims from events that occurred in this period, but that were received outside the cut-off date, are not included.

The data relates to weather-related claims for all the brands that IAG New Zealand trades under: AMI, State, NZI, NAC, Lumley and Lantern, as well as the general insurance products of BNZ, ASB, Westpac and the Co-operative Bank. EQC claims, that we manage on its behalf, are not included.

Note that the number of weather events recorded in each Wild Weather Tracker are for natural hazard events that incur over NZ\$1M in costs. This means smaller events, incurring costs under that threshold, are excluded.



Clay-rich soil in Auckland means the city is particularly prone to landslips in heavy rain. This photo was taken after the January storm. Photo: NZME

Weather claims dip as we move into El Niño

In the past six months, we received 6,183 weather-related claims, down 55% from the same time last year.

This more settled period has provided New Zealanders with a reprieve from the catastrophic summer months, where the North Island floods and Cyclone Gabrielle resulted in around 51,000 claims.

As the country has now moved away from La Niña’s tropical storm patterns and into El Niño, we are expecting drier and hotter conditions over the next few months. While this may result in fewer insurance claims and less property damage, these conditions still have the potential for significant impact, particularly on our rural communities, with wildfire and drought conditions possible.

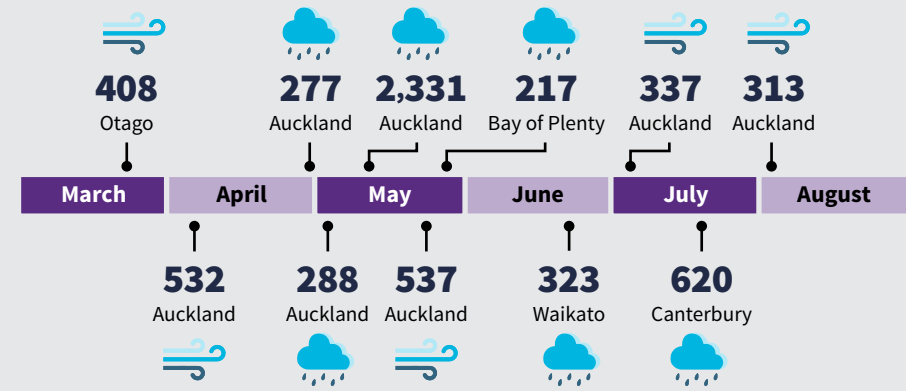
Claims received

In the last six months, we recorded 11 significant storms, the same as this period last year.

We received 6,183 claims related to severe weather, which is 55% fewer claims than the same period last year, when we received 13,587 claims.

Auckland fared the worst, with 42% of all weather claims, followed by Canterbury with 9% and the Waikato region with 8.4%. House claims were the most common (62% of claims), followed by contents (13%) and motor vehicles (12%).

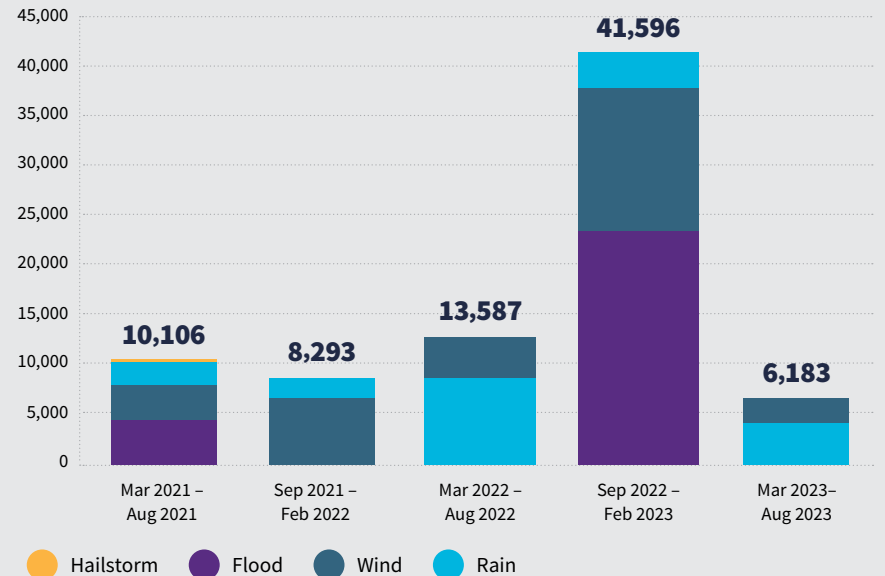
Claims timeline



Note: We categorise ‘events’ as a storm that incurs over \$1 million in claims costs.

How the last six months compare

We received 55% fewer weather claims than the same time last year.



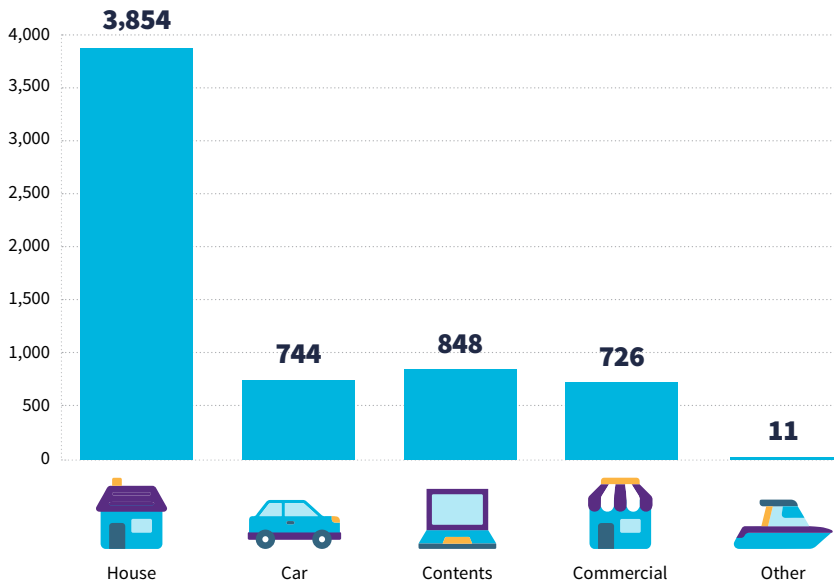
Note: The 51,000 claims from the floods & cyclone are captured across several Weather Tracker reporting periods, according to when claims were lodged. For an explanation of how we attribute claims to time periods in each Weather Tracker, please refer to page 3.

Six-month weather snapshot

March 2023 – August 2023

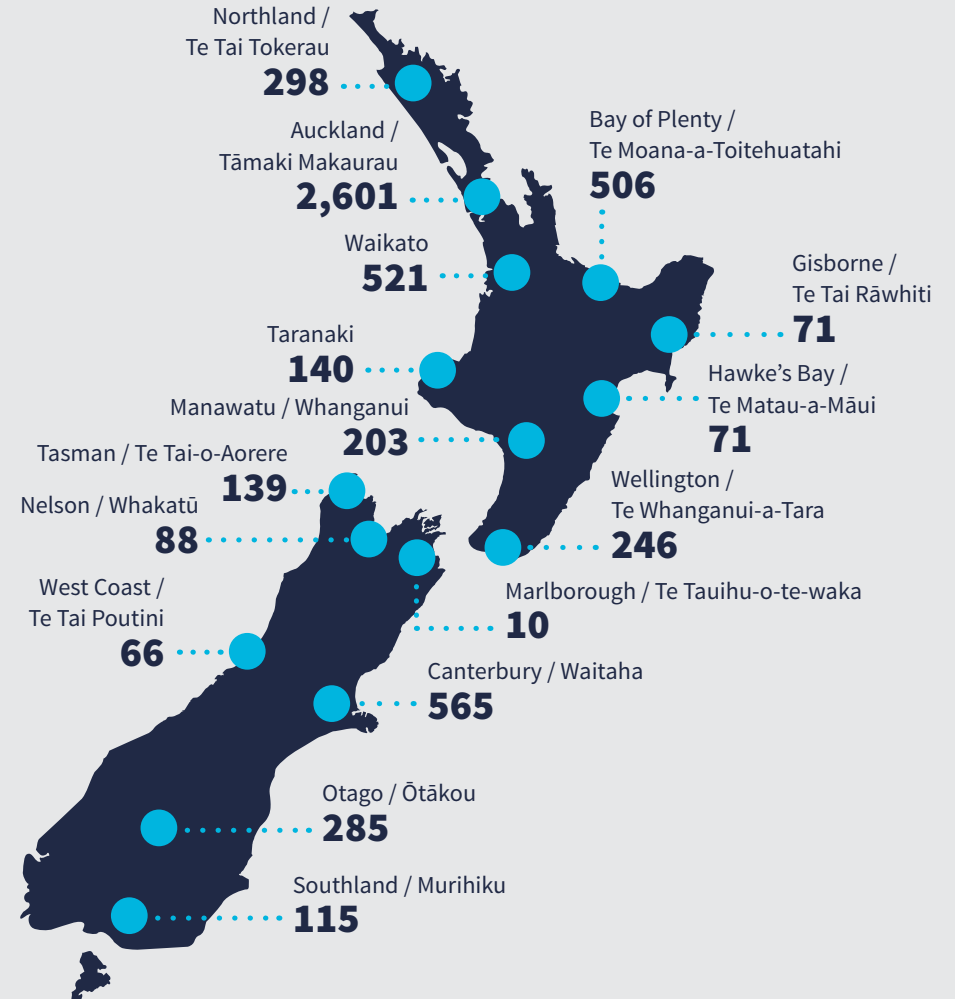
Insurance policies

House policies made up the vast majority of weather-related claims between March and August, but there were also claims across contents, motor vehicle and commercial policies too.



Regional impacts

Auckland continued to bear the brunt of the country's bad weather, with 42% of all claims in the period. Canterbury was next at 9% and Waikato had 8.4%.



We also received 258 other weather-related claims during the period.

Brought to you by:



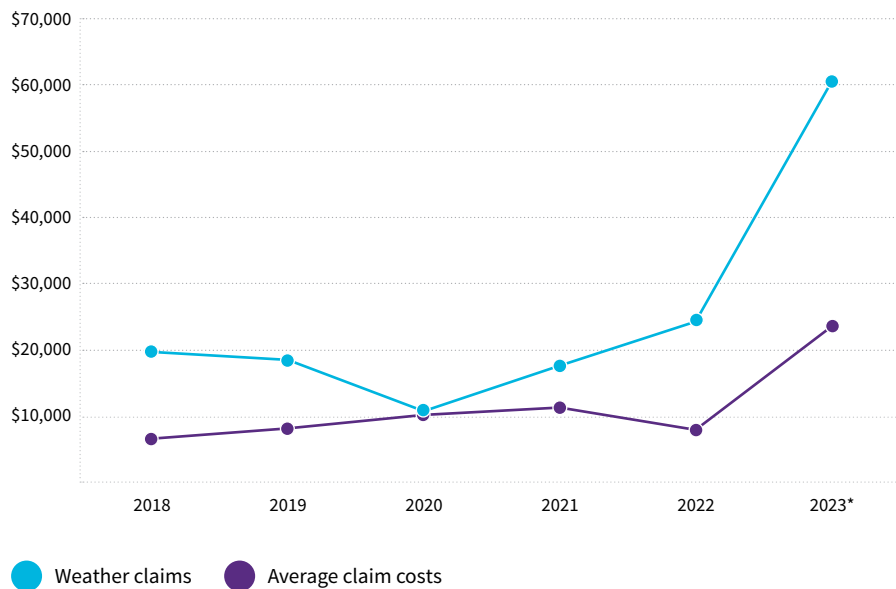
What it costs

It is widely accepted that wild weather is increasing in frequency and severity. While the social costs of these events are incalculable, they also have significant economic impacts.

To gain some insights into this, we looked back at weather-related claims from the last five years.

Average claim costs over time

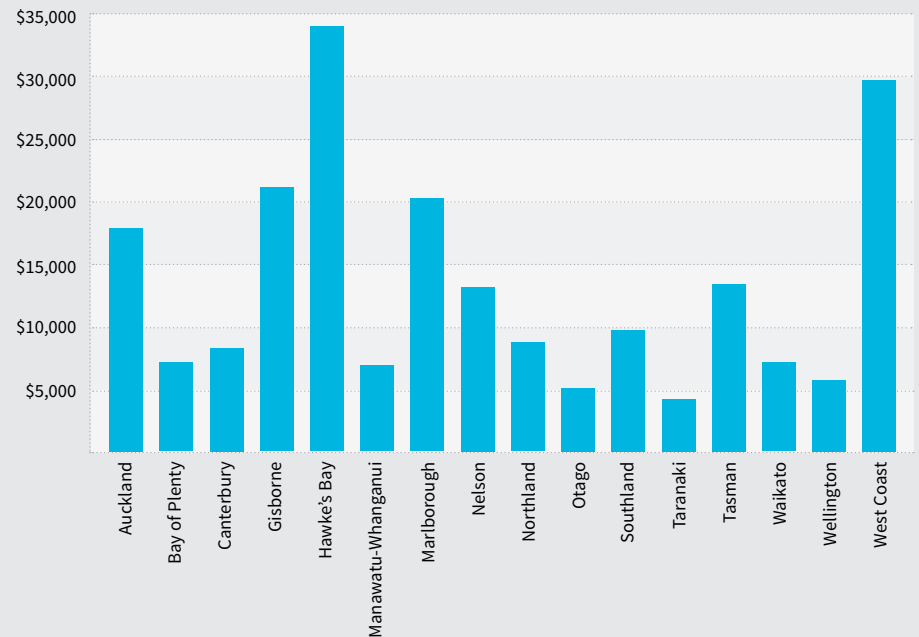
Overall, the number of weather-related claims is increasing, and so are the average costs per claim.



*2023 data as of 31 August.

Regional claim costs

Hawke's Bay, the West Coast, Gisborne, and Marlborough have had the highest average claim costs between 1 January 2018 and 31 August 2023.

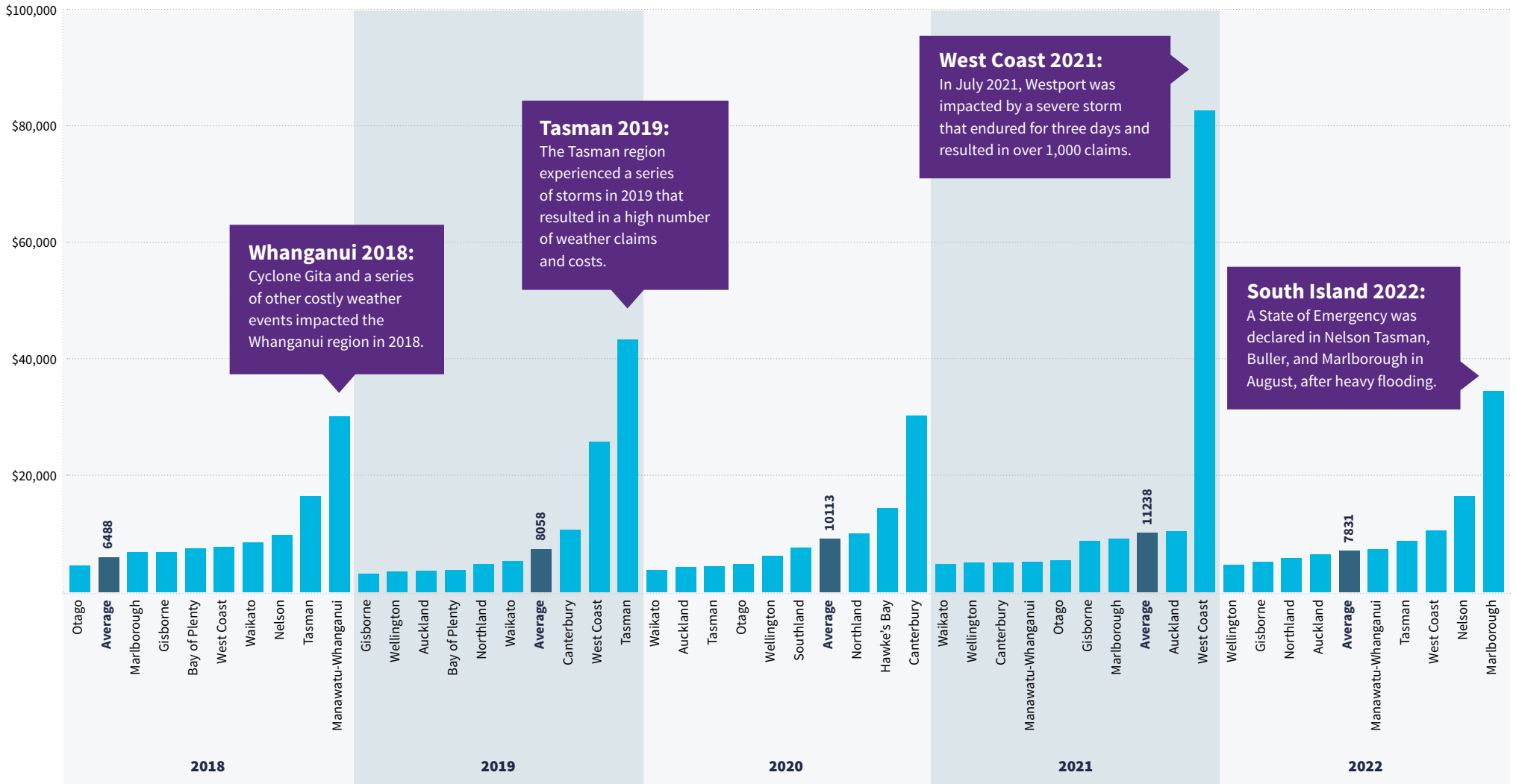


The Waikanae River is prone to bursting its banks in heavy rain. Photo: NZME

Regional claim peaks over the past five years

If we look at weather-related house claims across the regions, we find claim costs generally increasing from the second half of 2020, with huge peaks when an area is hit by a significant storm. It is during these times that we step up to support our customers the most.

Weather-related house claim costs (average)



Note: For simplicity, we have shown the top 9 regions per year, as well as the national average.

North Island floods & Cyclone Gabrielle

Here for our customers

In January and February 2023, the North Island was struck by two significant storms. The impact on our country was immense, with widespread destruction to urban and rural properties and landscapes, and tragically, loss of life.

Over the next few months, AMI, State and NZI received 51,000 claims for these two events. This is more weather-related claims than we received for the whole of New Zealand, for the previous two and a half years, and the second and third largest claims generating events in our history – second only to the Canterbury earthquakes.

Our first focus was on lodging claims. Call volumes hit unprecedented levels, up to 55% higher than normal for seven consecutive weeks. As the claims came in, a pre-prepared major event response was implemented, which included boosting the size of our team to support customers. This takes time to achieve, so initially we relied on our 'All Hands on Deck' programme (where staff from across AMI, State and NZI are called upon to lodge claims) and setting up in-person claims support in the hardest hit areas.

In our assessing division, there was a focus on stripping and drying homes as soon as possible to reduce risks of mould and mildew. We brought on additional builders, assessors, and other partners from on and offshore and expanded our supply chain network to speed up the process.

New processes were introduced, such as streamlining claims for flooded motor vehicles, and a fast-track claims procedure where customers could receive an immediate, partial payment to get emergency repairs underway, with further funds available once a full assessment had been completed.

Looking forward, we know events on this scale will occur more frequently. We continue to refine our plans to improve how we can support our customers and communities in the future – no matter the type of event.


Claims received
51,000

Claims paid
\$1 billion+

Claims settled

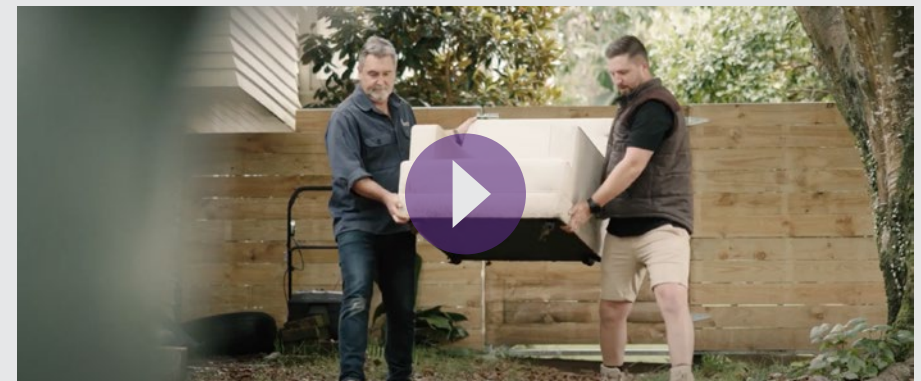
Motor
99% 

House
93% 

Contents
97% 

(As of 15 November 2023)

Disaster Claims Hub



An overview of your claim following a flood

How claims are settled

What happens after you lodge a claim? While the process can differ in individual situations according to the damage, below is a simplistic view of the typical steps required to settle a house claim with flood damage.



1 A customer lodges their claim.

2 Most claims are referred to an expert, for example a drying company, builder or property assessor.

3 Emergency repairs, or “make safe” works may be organised, for example stripping out flood damaged items, sanitising and drying of walls and floors. Care needs to be taken if asbestos is identified during this process.

4 We will see if we can cash settle the claim, following these steps:

Assess the damage – the expert will contact the customer and arrange a time to visit the property.

- After a big storm, we may need to wait for permission from Councils or other authorities to access an area.
- If there are many claims, we sometimes use additional experts to help.

Scope the repairs and costs in an assessment or ‘scope of works’ report, which is shared with the customer.

- Some customers source their own expert report and provide a costed scope of works for us to consider, too.

Pay the claim based on the quote in the assessment report.

- Sometimes this payment goes directly to the customer’s bank, depending on the bank’s requirements around mortgage thresholds.

5 Some customers may have a managed repair instead, where we support the repair process.

Note: This is a simplistic view only and individual situations may differ, especially if there has been land damage, where input from several other experts is required. For a complete overview, please refer to the [Disaster Claims Hub](#).

Toka Tū Ake EQC claims

Sometimes, a Toka Tū Ake EQC claim will also need to be made if your home or land are damaged in a natural disaster. Private insurers assess, manage, and settle claims on its behalf.

The EQC Act provides cover for residential land under an insured home and up to 8m around it, and the land under the driveway up to 60m from the home.

New Zealand is one of the few countries in the world to have natural hazards insurance cover for residential land.

Getting ready

Coming into the summer months, it's important to think about how we can reduce our risk from climate change – both in terms of the types of weather we might see, but also reducing our own impact on the environment.



Due to the developing El Niño conditions, our team of weather experts and meteorologists expects significantly warmer than normal sea surface temperatures around much of New Zealand. As a result, the next few months are likely to have higher temperatures, drier conditions and lower soil moisture. This will lead to two likely weather outcomes:



Rain/flood risk – near or above average for the west coast of South Island. Below average elsewhere, returning to near average from mid-summer.



Wildfire risk – average to above average risk, apart from the west coast of the South Island where it will be lower than average. Elevated risk for the Canterbury region.

So, what are some ways you can get prepared and reduce your impact?

1 If you're in an area likely to experience more rain and flooding:

- Make sure you and your family have an emergency plan, and download our [Emergency Kit Checklist](#) to make sure you're prepared.
- Keep your gutters clean.
- Make sure windows and doors are sealed and any leaks are fixed.
- If there is a chance flood waters may reach your home, secure any loose objects outside or move them indoors if you can. Inside, move your valuables, appliances, and furniture off the floor wherever you can.

2 If you're in an area likely to experience more wildfires (especially if you live rurally or on the urban/rural fringe):

- Make sure you and your family have an emergency plan, and download our [Emergency Kit Checklist](#) to make sure you're prepared.
- Keep your gutters clean.
- Make sure that flammable material isn't stored under your house or deck – this can include things like outdoor furniture covers.
- Keep lawns watered and green – as much as any water restrictions allow you to (and if water restrictions do apply, think about setting up a way to capture any rainwater when it does fall).

Find out more on the Fire and Emergency New Zealand website: [Protect your home from outdoor fires | Fire and Emergency New Zealand](#)

3 To reduce your carbon emissions over the summer months:

- Pack for a road trip like you would pack for a flight – less stuff means less fuel used and fewer emissions (and a cheaper fuel bill).
- Think about natural ways of cooling the house – using ventilation through windows and doors – before switching on the air conditioning.
- Install external window shades – like blinds, shutters or awnings – especially in those areas of the house that get the most sun.
- Reduce your car use – summer is a great time for walking, running and biking, so a great opportunity to build this into your work commute.

Get more tips on the GenLess website: <https://genless.govt.nz/for-everyone/>

Keeping yourself and your community safe

There are some simple tasks you can do before, during and after weather events to help keep yourself safe. Here are our top tips.

Before an event

- Even if there isn't a storm on the horizon, make sure you're clearing your gutters regularly, pruning trees and shrubs around your house, and fitting seals around doors and windows. All of this helps to reduce damage to your homes and possessions.
- If there is a chance flood waters may reach your home, secure any loose objects outside or move them indoors if you can. Inside, move your valuables, appliances, and furniture off the floor wherever you can.
- Securing loose objects outside – such as garbage bins, chairs and tables, umbrellas, BBQs, trampolines, and pot plants – will also help prevent damage in the event of high winds.
- If your property is at risk of wildfire, take time to create a safety plan for you and your family, as well as a safety zone around your home to slow the spread of fire. Consider converting parts of your property to lawn, planting fire-resistant vegetation, and clearing debris and other flammable matter away from buildings.
- To prepare for an earthquake, make heavy and fragile items safer by moving them lower down, secure large or heavy furniture, latch cupboards and doors, and make sure you know how to turn off your gas and water.

During an event

- Put your safety and the safety of those around you first and always follow the instructions of Civil Defence and emergency services.
- If necessary to keep yourself safe and if you have time, turn off your electricity, gas and water.
- During a weather event, stay inside and avoid travelling whenever possible.
- If it is unsafe to stay where you are, arrange shelter for yourself. If possible, stay with neighbours, friends or family.

After an event

- Listen to the advice of Civil Defence and local authorities and only return to your home when it is safe to do so.
- Do not do anything that puts yourself at risk or could potentially cause more damage. Make sure you wear protective gear.
- Go online or call your insurance company, AMI, State, or your NZI broker to make a claim.
- If you need to, make immediate, necessary repairs to your home, but try to avoid non-essential repairs. Keep copies of your invoices.
- Take photos of your damaged items and make a list to help with your claims. If a damaged item is a health risk, it is okay to get rid of it.

Disaster Claims Hub

AMI, State and NZI customers can check out our Disaster Claims Hub, a one-stop shop for everything you need to know about how to prepare, stay safe and recover in the event of a hailstorm, flood, storm, earthquake, scrub fire, tsunami, or volcanic eruption.

<https://iagnz.custhelp.com/>

Emergency kit checklist

In an emergency, you might need to vacate your home quickly. To make this process easier, it's a good idea to have an emergency kit packed and ready to go. Here is a list of essentials to pack in your emergency kit. Store your kit in a waterproof container or bag, keep it in an easily accessible place, and resupply it on a regular basis.



First aid kit and prescription medicine.



Chargers for your phone and any other devices you may need.



Water and snack food (remember babies and pets too).



Radio (solar, wind up or battery powered).



Walking shoes, warm clothes, raincoat and hat.



Copies of important documents (online or paper). You can do this by taking a photo or a scan of an important document on your smartphone.



Torches and batteries.



Hand sanitiser.

You can download this checklist on our website: www.iag.co.nz/nov-2023-weather-tracker

Resources and contacts

AMI, State and NZI Disaster Claims Hub

A digital resource for AMI, State and NZI customers to help prepare for bad weather and easily access information on how to make a claim.

<https://iagnz.custhelp.com/>

Your local civil defence group

In the case of a severe event or emergency, your local authority is responsible for civil defence emergency management in their area. Find your local authority on the national civil defence website:

<https://www.civildefence.govt.nz/find-your-civil-defence-group/>

Get Ready

The Get Ready website has information about hazards in Aotearoa New Zealand and advice on how to prepare for an emergency.

<https://getready.govt.nz/>

Metservice

Stay up to date with forecasts and conditions in your area, as well as severe weather warnings.

<https://www.metservice.com/national>

NIWA's weather and climate forecasting services

<https://niwa.co.nz/services/weather>

Insurance Council New Zealand Te Kāhui Inihua o Aotearoa

<https://www.icnz.org.nz/>

Our Annual Climate Change Poll

Each year we release a climate change poll, tracking New Zealand's attitudes and level of concern around climate change. You can find the results of the latest survey here:

<https://www.iag.co.nz/newsroom/news-releases/climate-change-poll-2023>

Our Annual Snapshot

Our contribution to New Zealand's environment, people and communities is captured in our Annual Snapshot, which can be found here:

<https://www.iag.co.nz/sustainability/reporting/fy23-annual-snapshot>

Wild Weather Tracker website

Visit our Wild Weather Tracker website for videos, photos and more:

www.iag.co.nz/nov-2023-weather-tracker

Contact us

Media enquiries media@iag.co.nz

For any insurance queries

AMI 0800 100 200 | www.ami.co.nz

State 0800 80 24 24 | www.state.co.nz

NZI Contact your broker | www.nzi.co.nz

© 2023 IAG New Zealand Limited. All rights reserved.

Disclaimer: The Weather Tracker Report is published for general information purposes only. The views and opinions expressed, and any advice provided, is general in nature only. IAG New Zealand Limited does not represent that any information or advice it contains is suitable for your particular circumstances or purposes.

Brought to you by:

