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Cyclone study highlights vulnerability of older homes in north Qld

A landmark cyclone study between Suncorp Insurance and James Cook University has presented a case for work to be done on older north Queensland homes to bring them up to standard and better shield them from the devastating impacts of cyclones.

Suncorp Insurance Executive General Manager Lisa Harrison said although pre-building code houses made up around 43 per cent of north Queensland's housing stock, they represented a higher proportion of total claim costs and more severe and extreme claims following Cyclone Yasi.

The study, conducted by JCU's Cyclone Testing Station using Suncorp data, examined claims and policies from Cyclone Larry in 2006 and Cyclone Yasi in 2011.

Although the report is still being finalised and will be released soon, the project is able to release key findings today.

"This study is an eye-opener in terms of better understanding the loss that occurred during these major disasters but what exactly caused these damages," Ms Harrison said.

"It points to a number of things insurers, communities and ultimately, governments can do to better protect life and property, build a stronger economy and resilient communities and, importantly, achieve significant insurance savings for north Queensland."

JCU Cyclone Testing Station director David Henderson said analysis of the data allowed his team to document some important trends.

"One in particular is the volume of claims coming from newer homes – mostly smaller claims related to things like water damage, guttering, sheds, fences and shade sails," Dr Henderson said.

"These add up to approximately \$35 million from across the region.

"Another is the amount of claims in regions away from the main impact zone of Cassowary Coast.

"For example roughly one in four policies in Townsville had a claim, mostly smaller claims, but this was at wind speeds at half the building code's design wind speed.

"However, older homes do contribute greater to the damages when a cyclone occurs.

"One of the findings from the study was that while comprising 43 per cent of Suncorp policies in north Queensland, pre-1980's homes contributed more insured losses than post-1980's homes after Cyclone Yasi."

Pre-1980's homes made up \$132 million of total claims costs while post-1980's made up \$119 million after Cyclone Yasi.

Other key findings include:

Drivers of loss

The data clearly indicates that roofing damage, and damage from water ingress (wind driven rain) are the most dominant drivers of loss during cyclones.

A targeted mitigation program that reduces vulnerability to these damage modes will reduce losses from insurance claims. Moderate to large sized claims represent 71% of claim related losses from Cyclone Yasi.

Community

Minor claims (e.g., fencing, shade sails, backyard sheds, minor water ingress, etc.) represent 86 per cent of the total number of filed claims for Cyclone Yasi in north Queensland and comprise 29 per cent of the total cost.

Awareness campaigns may be the most effective method of reducing the frequency of claims of this size, including emphasis on cyclone preparation (e.g., removing shade sails, pruning trees, removing debris and unsecured items from the yard, etc.).

Housing Age

The data indicates that housing constructed between 1925 and 1981 is at a relatively higher risk of severe structural damage. However, a significant proportion of contemporary housing also experienced severe loss ratio damages suggesting this housing did not perform as well as expected especially considering the wind speeds were less than the design levels for the region.

Regional considerations

Claim-related losses for Cyclone Yasi would have been significantly higher – between five to 10 times - if the most severe winds had been in the Townsville Region.

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