

Under Embargo: Friday - 24 July 2015

PROTECTING THE NORTH

BUILD TO LAST TO TACKLE THE PROBLEM, NOT THE SYMPTOM

Suncorp today launched research that shows a retrofit program to better protect North Queensland homes against cyclone will deliver wide ranging social and economic benefits.

The *Build to Last* report, part of Suncorp's *Protecting the North* initiative, found:

- For every dollar spent on low-cost retrofits, the community will save at least \$3.
- Installing strapping on replaced roofs, could deliver up to approximately \$12 for every dollar spent.
- Some low-cost retrofits will even pay for themselves after only one Yasi-like cyclone.

The joint Suncorp Insurance-Cyclone Testing Station (CTS)-Urbis work shows North Queenslanders would be safer, reap the benefits of greater economic activity and receive cheaper insurance if incentivised to reduce the high risk of cyclone damage to their homes.

The research goes to the heart of the region's insurance affordability pressures by examining the weaknesses in homes, the measures to remedy and the benefits that flow to the homeowner and through the community as a result.

Suncorp is a partner of *Build to Last*, a cross-sector collaboration led by not-for-profit Green Cross Australia that aims to build property resilience to all natural hazards across Australia.

Suncorp Personal Insurance Chief Executive Officer, Mark Milliner, said the reports show the case for a funded retrofit program was too strong for governments to ignore.

"We now have a pathway toward effective cyclone resilience in North Queensland," Mr Milliner said.

"*Build to Last* shows clearly that cyclone resilience is smart for the homeowner, smart for government and smart for the whole region – it makes good economic and social sense.

"Beyond the clear economic benefits, there would be invaluable social outcomes like the reduced risk of mental health impacts, death and injury.

"In addition, we're confident retrofit costs would reduce over time through scale and innovation, driving even greater benefits.

"Every taxpayer dollar spent subsidising insurance and not retrofitting and building North Queensland to withstand a cyclone, is a dollar wasted on hiding the problem.

"We believe a Government-funded retrofit program is the best solution and Suncorp is committed to reducing premiums up to 20 per cent for North Queensland homes that are retrofitted."

Green Cross Australia Director Mara Bun said: "Collaborative research and business partnerships to identify evidence-based measures that advance property resilience are essential to progress Australia's disaster resilience agenda."

James Cook University's CTS Director, Dr David Henderson, said the findings presented today were the culmination of months of policy and claims analysis.

"We reviewed thousands of Suncorp Insurance policies and claims from Cyclone Larry (2006) and Yasi (2011), and found there was a greater percentage of older housing that suffered significant structural damage compared to housing built to today's wind load standards," Dr Henderson said.

“The analysis shows preventing such failures through a retrofit program (e.g. roof upgrades, door retrofits, window protection) will greatly improve our community’s resilience, significantly reduce the size and number of claims, and have a positive effect on premium prices in North Queensland.”

With government support to incentivise homeowners, the *Build to Last* retrofit program designed by the CTS research team could address:

- Roofing
 - Preventing structural roof failures could significantly reduce the size of claims and the cost of repairs. There is also a larger community benefit with a lower chance of damaged buildings from roof debris.
 - After Cyclone Yasi, 9% of buildings in the Tully and Mission Beach area suffered extensive structural damage, almost 40% of Suncorp’s home claims cost in that area.
 - Roof upgrades focusing on tying the roof to the ground to handle high winds and reduce risk such as full replacement, additional strapping or over-battens and range from \$3,000 to \$30,000.
- Doors and windows
 - A common weak point in all homes that drive up claims, damaged doors and windows allow wind and rain in which significantly increases internal pressures on the structure and contents damage.
 - CTS found addressing these weaknesses in newer homes would reduce overall insurance losses by at least 8%.
 - DIY window coverings can be installed to a home for around \$1,360, and can reduce the cost of a claim by up to \$15,000.
- Community Awareness
 - Nearly 9 out of 10 (86%) claims for Cyclone Yasi were minor and preventable claims.
 - Simple actions like securing garden sheds, removing shade sails, and bringing outdoor furniture inside can prevent claims, reduce costs and risk.
 - A new approach to community awareness and preparedness delivered benefits up to 14 times the cost according to the Benefit-Cost-Ratio.

Copies of the *Build to Last* report and original research studies can be found online at www.suncorpgroup.com.au/media/public-submissions.

More information:

Joshua Cooney
Suncorp Insurance Corporate Affairs
M: 0477 391 260
E: joshua.cooney@suncorp.com.au

Melissa Cronin
Suncorp Insurance Corporate Affairs
Ph: 07 3135 3996
M: 0467 709 299
E: melissa.cronin@suncorp.com.au

