



CHU introduces Flood cover

Natural disasters are an ever present risk for communities living in Australia. In the past, whether a property is covered for Flood or not has been a source of confusion and anxiety for many Australians. To ensure you have the cover you need, we have introduced Flood cover as standard on our Residential Strata, Community Association and Safety Net policies upon renewal from 13 January 2014.

By providing Flood cover as standard, we're working to minimise the risk of our customers finding themselves without adequate cover in the event of Flood. It means we can help customers get back on their feet as quickly as possible by minimising delays in determining whether claims are Flood-related or not.

Defining Flood

The policy will insure Flood¹ provided the premium has been paid. In general terms, Flood means the covering of normally dry land by water that has escaped or been released from the confines of a lake, river, creek, natural watercourse, reservoir, canal or dam.

Important information

- Flood cover will be available as standard on all residential strata, and landlords safety net policies upon renewal
- Flood premiums are based on the individual property, not postcode level and use a combination of the Insurance Council of Australia's Flood Identification Database and CHU's own Flood modelling
- For the majority of Australian properties, there will be a negligible impact on premiums
- Customers in Flood-prone areas may see a significant impact on premiums.

How will CHU introduce Flood cover on Strata properties?

Flood will be introduced on Residential Strata, Community Association and Lot Owners Homes as per the below table at a policy level based on where the property is located in relation to the modelling outcomes.

FLOOD RISK TO PROPERTY	CHU COVERAGE
Negligible to very low	Automatically included on all quotes and new business and renewals
Low, medium, high, very high	Opt-in — all properties exposed up a to very high risk of flooding will be encouraged to obtain a quote and include flood cover
Extreme flood	Not available

Have we got your right address?

Check your address and let us know if it needs correcting.

Call your local CHU office

¹ Please refer to the PDS or SPDS for the standard definition of Flood.

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What does including Flood cover mean for premiums?

CHU is able to assess the specific level of Flood risk to which an individual property is exposed. When determining a property's Flood risk, we take into consideration a number of factors, including but not limited to:

- The expected rainfall for the property
- How close the property is to rivers, lakes and creeks
- The slope of the property and whether it is at the top or bottom of a hill, or in a ravine.

PROPERTY FLOOD RISK	PREMIUM IMPACT
Zero or negligible risk	The majority of Australian properties fall into this category. Customers in these areas will experience negligible increase to premiums
Low to moderate risk	Low to moderate impact on premiums
High to very high risk	Significant impact to premiums
Extreme risk	A very small proportion of properties will be located where the extreme risk of Flood damage exceeds CHU's underwriting limits. Existing customers in these areas will see a significant impact to premiums. New policies will not have the ability to include flood

Are premium increases all related to the new Flood cover?

Not necessarily. Your new premium includes the benefit of Flood cover, relative to the Flood risk. So, the higher the risk of Flood, the greater effect this will have on your premium. Other factors also impact your premium including:

- increases in the cost of repairing and replacing buildings and contents;
- major natural hazard events such as cyclones, bushfires and hail storms;
- availability of new data or information regarding natural perils and risks; and
- the cost of claims.

Am I paying for Flood cover even though I am in a no risk area?

Premiums are based on the specific Flood risk of a property. For the majority of customers, a nominal amount for flood cover is reflected in the premium.

How can I reduce my premium?

CHU's coverage and pricing for Flood cover is based on our assessment of the risk involved and takes into account numerous factors which include the sum insured, the Flood risk for the specific property and the individual characteristics of the property, where available to us. Therefore please check to ensure that we have all your correct details especially the address of your property.