



**Financial
Resilience Guide**

Prepare Protect Recover

Disaster proof your finances

If you and your family were affected by an emergency, could you repair, replace or rebuild your most valued possessions?

We live in a beautiful but unpredictable environment. Recently NSW residents have been hit by devastating bushfires, severe storms, floods and a pandemic.

Natural disasters happen more often than we expect. Like others, you could be caught out and experience more than one of these emergencies in your life.



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It is important that you **know your risk.**

Could you be hit by a fire, storm or flood?

Ask yourself, **how would I prepare – protect – recover?**



Would I know who to contact for emergency help?



Are my important documents safely stored?



Does my insurance cover all possible disasters?








Does my insurance cover all structures on my property, including sheds, animal shelters, and what's inside?



How will I recover if I don't have insurance?

In 2017 the NSW government¹ assessed that these hazards posed a significant risk to NSW.







Hazard Scenario	Likelihood	Consequence	Risk Rating
 Bush fire	Likely	Major	Extreme
 East Coast Low weather storm	Likely	Major	Extreme
 Flood	Likely	Major	Extreme
 Human Infectious Disease Outbreak	Likely	Major	Extreme
 Heatwave	Likely	Major	Extreme

* other hazards included infrastructure failure (electricity, biosecurity, tsunamis, earthquake, landslide, coastal erosion and storm)

¹ NSW State Level Emergency Risk Assessment Executive Summary July 2017 (State Emergency Management Committee (SEMC) and the NSW Cabinet)

Not sure where to start?

You can reduce the devastating impact a natural disaster can have on your life by following these steps: **prepare** – **protect** – **recover**

Prepare	 Know Your Risk <input checked="" type="checkbox"/>
	 Have a Money Plan <input checked="" type="checkbox"/>
	 Save for a Rainy Day <input checked="" type="checkbox"/>
Protect	 Insure What Matters <input checked="" type="checkbox"/>
	 Protect Your Documents <input checked="" type="checkbox"/>
Recover	 Get the Financial Help You Need <input checked="" type="checkbox"/>
	 Use your Documents <input checked="" type="checkbox"/>



1. Prepare

You can't prevent things from going wrong, but you can make sure you're prepared when they do.



Consider these five steps.

Being mentally and physically prepared for life's upsets and bigger disasters can help you recover more easily.



1. Know your risk

Think about the area you live in and the types of disasters that could affect you. Knowing what's likely to happen can help when it comes to finding out how to prepare.



2. Plan now for what you will do

Sit down and talk with your family and plan for what you will do if a disaster affects your area.

Where will you go if there's a disaster, and have you considered what you might take with you to assist you through the disaster and, should the worst happen, in the weeks and months after.



3. Get your home ready

Prepare your home by doing general maintenance and checking your insurance coverage.

Simple home maintenance can make your home safer and lower the risks of a disaster. Insurance can seem complex but with this guide you can feel more confident to make it part of your plans.



4. Be aware

Find out how to prepare and what to do if there is a disaster in your area. Connect with NSW emergency services to stay informed.

In an emergency phone **Triple Zero (000)** immediately

For bushfire advice and warnings visit NSW Rural Fire Service or **rfs.nsw.gov.au**

For storm or flood advice and warnings visit NSW State Emergency Service (SES) or **ses.nsw.gov.au**, or for help phone **132 500**.

For information about home fire safety visit **fire.nsw.gov.au** or phone **02 9742 7548**

For weather forecasts, advice and warnings visit Bureau of Meteorology or **bom.gov.au**

For Disaster Assistance visit Service NSW or **service.nsw.gov.au** or phone **13 77 88**



5. Look out for each other

Share information with your family, friends, neighbours and those who may need help.

Those closest to you are the people you will turn to in an emergency. Let them know your emergency plans. Let them know you're okay and check they are too.

Save for a rainy day.

Emergencies happen without warning. That's why you need to be prepared. It makes sense to have some money in reserve to be able to draw upon in an emergency, it will also give you peace of mind.

Almost 1 in 5 of us cannot raise \$2,000 in a week in the case of an emergency*

Here's a few tips to help you put together a Rainy Day emergency fund:



Make a budget - When you know what you're spending money on, it's easier to see where you might be able to save.



Look for savings on household bills - Turn off appliances at the power switch, and heating and cooling when not needed. Contact your energy and phone suppliers and ask for a better plan to reduce your bill. Pay attention to pricing. Look for cheaper deals, from groceries, to clothes, to petrol.



Keep your emergency fund separate - Start a separate account and keep adding to it every payday.



Don't touch it! - Resist the urge to spend it or move it into other accounts.

* Marjolin, A., Muir, K., Ramia, I., and Powell, A. (2017), 'Why is financial stress increasing?'; *Financial Resilience in Australia 2016 - Part 1*, Centre for Social Impact (CSI) at UNSW Sydney, for National Australia Bank.



Why do I need insurance?

Insurance protects you from losing money and helps you to recover from a disaster. It can help you replace your home and belongings if they are destroyed in a fire, flood or storm.

Recent history tells us that there is a high chance of a natural disaster occurring, which could bring about financial hardship, along with the emotional stress the damage causes.

For many unfortunate NSW residents, they have been hit by a sudden catastrophe more than once within a matter of a few years.

Some NSW regions face up to six natural disasters a year



22,000

Storm and flood related Requests for Assistance received by NSW SES during the storm season of October 2020 to March 2021



32%

Rise in requests for NSW SES assistance (compared with 2018/2019 year)²



38,500

Insurance claims lodged as a result of the 2019/2020 bushfires³



\$3.8 billion

Insurance claim pay outs following the bushfires, floods and hailstorms during 2019–2020 summer³



\$5.4 billion

Approximate loss suffered by insurance customers due to natural disasters during 2019–2020 summer³

² NSW State Emergency Service

³ Insurance Council of Australia, Media Release, 27 August 2020

Sort out your insurance before disaster strikes.



Shop around

Shop around to ensure you are getting the right insurance product for your unique needs. You can visit findaninsurer.com.au to find an insurer or insurancecouncil.com.au to find out more about insurance generally.

If you need assistance with this, then you can search for an insurance broker in your area at needabroker.com.au



Insurance can be more affordable than you think

There are affordable and accessible insurance products designed for people on low incomes. One example is at essentialsbyaai.com.au You may wish to shop around and compare with others to see if this is the right insurance product for you.



Be sure to read the Product Disclosure Statement (PDS)

Some insurers will require you to conduct your own repairs or replace your own goods before seeking reimbursement. If you want to avoid this, then look for an insurer that has their own panel of service providers.



Check your cover

If you already have an insurer, then contact them ahead of disaster season and ask if the policy you have covers the risks you know about



Average annual cost of home & contents insurance[^]

\$1,424 per year

Average cost of rebuilding & replacing belongings*

\$800,000 + up to 20% extra for clearing debris, disaster-resistant construction materials and emergency accommodation

[^] NSW figures based on the sum insured values of \$550,000 for home or building cover, and \$50,000 for contents, Canstar Research, September 2020

* approximate figure based on 3 bedroom home in regional east coast NSW, NRMA rebuild calculator

Insurance explained and key terms.

Insurance policies can be complicated. Here are some of the key terms explained:

Policy

Legally binding document that details the terms and conditions of the insurance you buy. Also called a Contract of Insurance.

Product Disclosure Statement

This document explains the features, benefits, cost and risks associated with the insurance policy. It is freely available to read before choosing a policy.

Premium

The fixed amount of money you pay to buy insurance.

Excess

The amount you agree to pay if you make a successful insurance claim. For example, a \$500 excess on your contents insurance means that you will have to pay the first \$500 when replacing the contents that were lost.

Exclusions

Items and circumstances not covered by an insurance policy. For example, medications and portable contents are sometimes excluded and damages from tree lopping is often a circumstance not covered.

Sum Insured

The most you can claim for your insured items in any one claim.

Replacement value

The agreed value of your belongings and what it would cost to replace them.

New for old policy

Covers the full cost of replacing the insured belongings with new ones.





2. Protect

Insurance protects you from losing money and helps you to recover from a disaster.

What can happen if you're underinsured?

Tips to prevent under-insurance on next page

Case study

Drew & Melinda's insurance didn't cover the cost of rebuild

Drew and Melinda had lived in their Balmoral home for the past 30 years. They knew about the risk of bushfires but were unaware that new laws required any home renovation or rebuild to comply with higher building standards to protect against bushfires. In 2019, a firestorm hit Balmoral and soon claimed Drew and Melinda's home. The couple lost their home and contents. They realised that **due to the higher building standards, their insurance cover was nowhere near sufficient to rebuild and replace their contents.** Their rebuild and contents replacement left Drew and Melinda \$700,000 out of pocket."



Case study

Alfonso didn't update his insurance contents and lost valued artwork and tools

Alfonso had a home contents policy with his insurer for the last 15 years, including cover for specialist welding tools he used in his hobby as an iron works artist. When he first took out the policy, the tools and his budding collection that he sold at community markets were valued at \$5,000. **Over the years, the collection had increased in value to \$15,000 but Alfonso had never increased the value of the cover for his art and tools.** Unfortunately, Alfonso's collection became irreparably damaged during a flood in his area. The insurer paid out only the \$5,000 that the tools and art were insured for, leaving Alfonso out of pocket and unable to replace these special items that not only supplemented his income but were also of great personal value.



Tips to prevent underinsurance.

- ✓ **Use a home inventory template** (as on next page)
- ✓ **Estimate the cost to REPLACE today**, not what you paid years ago
- ✓ **Take photos**, especially of items of sentimental value, such as family jewellery or artwork
- ✓ **Check your insurance policy small print**, especially note “exclusions”
- ✓ **Don’t be tempted to underestimate your possessions** to reduce the cost of your premium. This will only result in reducing the payout you receive if you make a claim, leaving you out of pocket.
- ✓ **Consider what rebuilding would cost.** Speak to a builder or use one of the handy online calculators at understandinsurance.com.au
- ✓ **Go over your cover each year** — building costs and standards are always changing. Recent changes in building regulations mean that more expensive disaster-resistant materials are compulsory in many re-builds. A higher BAL rating (Bushfire Attack Level) can have a big impact on your reconstruction costs.



Does the cost of insurance seem too high? Shop around.

Australia’s insurance market is large and very competitive, and some providers are willing to be flexible to ensure you get the most appropriate cover at a cost you can afford.

Insurance can be more affordable than you think.

There are affordable and accessible insurance products designed for people on low incomes: Check out essentialsbyaai.com.au

You may wish to shop around to see if this insurance product is right for you.



Calculate the value of your belongings.

Use this table to calculate the value of things you own.

Bedrooms	Average value*	Your value
Single beds	\$800 each	
Double/Queen beds	\$1,600 each	
Bed linen	\$1,000	
Wardrobes (not built in)	\$1,500	
Clothes & shoes	\$5,500	
Bedside tables, drawers	\$2,000	
Other		
TOTAL		

Living/family room	Average value*	Your value
Lounge suite/s	\$2,000 each	
Coffee table/s	\$700 each	
Wall/TV unit	\$1,500	
Television and DVD	\$1,400	
Gaming consoles	\$500	
Records, CDs, DVDs	\$500	
Cushions & rugs	\$600	
Other		
TOTAL		

Dining room	Average value*	Your value
Tables & chairs	\$2,000	
Wall units	\$1,500	
Table linen	\$750	
Dinnerware	\$1,250	
Other		
TOTAL		

Kitchen	Average value*	Your value
Fridge	\$1,000	
Freezer	\$900	
Electrical appliances	\$1,000	
Microwave	\$300	
Pots and pans	\$750	
Cutlery, crockery & glassware	\$500	
Food	\$850	
Dishwasher (if not built in)	\$800	
Other		
TOTAL		

Entertainment and study	Average value*	Your value
Desks & chairs	\$1,000	
Sports/camping gear	\$1,000	
Computer & accessories	\$2,500	
Books, toys, wine		
Other		
TOTAL		

Bathroom(s)	Average value*	Your value
Toiletries & contents	\$250	
Towels, bathmats	\$400	
Bathroom appliances	\$500	
Other		
TOTAL		

Garage	Average value*	Your value
Lawn mower	\$600	
Power tools	\$1,200	
Garden tools	\$800	
Ladder	\$200	
Paint & paint gear	\$300	
Other		
TOTAL		

Laundry	Average value*	Your value
Washing machine	\$1,000	
Dryer	\$500	
Washing & laundry equipment	\$400	
Vacuum cleaner	\$500	
Other		
TOTAL		

Items common to more than one room	Your value
Carpets, blinds, curtains	
Lamps & light fittings	
Free standing heaters	
TOTAL	

Could you afford to cover this cost? —————> Your total

*The average value is a guide only. The cost to replace your belongings may vary significantly from the average values listed. Average values sourced from: <http://www.intermediary.qbe.com.au/Documents/index.htm?doc=QM0099>

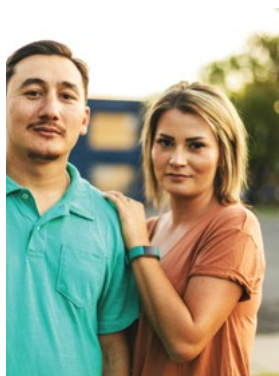
Have you got enough insurance to replace your belongings and your home?

Renters and owners have different insurance needs.

What your insurance policy covers — including any natural disasters — is outlined in the **Product Disclosure Statement (PDS)**. Read the PDS before buying insurance to make sure you're covered for the things you need to be covered for. You can also contact your insurer directly to ask them what 'events' or disasters are covered by the policy.

TIP: check your policy to make sure that your outbuildings are included in your home insurance.

You may not need separate cover for outbuildings.



Marg and Greg live in Campbelltown

- Don't own a home
- Possessions worth \$10,000
- Have an on-site caravan worth \$35,000 at Tathra that they live in for 4 months a year
- Has a car

- ✗ Home insurance
- ✓ Contents insurance for rental
- ✓ Caravan insurance with contents cover
- ✓ Car insurance



Angela lives in Armidale

- Owns her home
- Possessions worth \$12,000
- Has a car

- ✓ Home insurance
- ✓ Contents insurance
- ✓ Car insurance



Jack and Tamara live in the Snowy Mountains

- Own their home on 80 hectares
- Possessions worth \$18,000
- Outbuildings and farm machinery worth \$60,000
- Have two cars

- ✓ Home insurance
- ✓ Contents insurance
- ✓ Farm machinery insurance
- ✓ Car insurance

Documents you need to protect.

It can be difficult and time consuming to replace important documents but many of them are needed after a disaster.



Make time now to **copy and store your important documents** in a safe place.



Take photos of them with your smartphone or **scan your documents and email them to yourself.**



Save a copy of the documents to a storage cloud or a USB and **give it to a family member or trusted friend to keep safe.**

Official records

Driver's licence, birth and marriage certificates, passports.

Insurance policies

Keep a note of your insurance company for each type of insurance. Insurers also keep electronic records of your policies.

Property records

Property contracts, mortgage documents, property valuations, rental agreement or lease; car/boat/caravan registration and titles; video, photos or a list of household possessions.

Medical information

Medical records, prescription information (drug name and dosage), health insurance, doctors' names and phone numbers.

Estate information

Wills, trusts, funeral instructions, powers-of-attorney, attorney names and phone numbers, health directives where relevant.

Financial records

Your last two tax returns, superannuation documents, recent bank statements, credit card and bank account numbers.

Other

Personal address book, family photos, important computer files, online account usernames and passwords, customer numbers for utilities and other services.



3. Recover

You have prepared your property, you have made important documents safe, and you have your financial emergency plans in place. When disaster does strike, the following information can help you recover.

Need to make a claim?

After an emergency or disaster, you should not return to your home until emergency services say it's safe.

It's important to call your insurance company as soon as possible so it can assess the damage.

Go through this checklist to make your insurance claim.

Step-by-step guide to making a claim

Claim Checklist

- Inform your insurance company** as soon as you can and make sure they can get in touch with you.
- Make a list of damaged or destroyed items.** Include brand names, models and serial numbers where possible.
- Take pictures or videos** of the damage to your home or belongings, if it's safe to do so.
- If you are able to take the right safety precautions, remove any items that may be a health risk,** such as water or mud-damaged carpets or soft furnishings but keep samples of fabrics and other materials to show the insurance company.
- Store destroyed and damaged items safely.** Don't throw away anything or repair anything before checking with your insurer.



If you are unhappy with an insurer's claims decision and are unable to resolve the dispute, then you can lodge a complaint with the Australian Financial Complaints Authority (AFCA).

Call 1800 367 287 or visit afca.org.au

Need some assistance?

There are many organisations offering services and support to help you prepare for or recover from a disaster.

Here are some you might need:

Emergency services and recovery

Emergency services

In an emergency phone **Triple Zero (000)** immediately.

For bushfire advice and warnings visit **NSW Rural Fire Service** or rfs.nsw.gov.au.

For storm or flood advice and warnings visit **NSW State Emergency Service** or ses.nsw.gov.au, or for help phone **132 500**.

For information about home fire safety visit fire.nsw.gov.au or call **02 9265 2555**

For weather forecasts, advice and warnings visit the **Bureau of Meteorology** or bom.gov.au.

For Disaster Assistance visit **Service NSW** or service.nsw.gov.au or phone **13 77 88**.

Community Services

Australian Red Cross, St Vincent de Paul (Vinnies), Salvation Army, Anglicare and **Wesley Mission** may be able to help with:

- practical emergency assistance
- food, shelter and household items
- financial hardship relief
- mental wellbeing support

Visit their websites:

redcross.org.au
vinnies.org.au
salvationarmy.org.au
anglicare.org.au
wesleymission.org.au

Mental Wellbeing Support

A natural disaster can impact people in many different ways including stress, anxiety and feelings of helplessness. These services can provide professional help.

- Lifeline: 13 11 44 or see lifeline.org.au
- Beyond Blue: 1300 22 4636 or see beyondblue.org.au

Financial Hardship

Emergency financial help

Following a disaster, local, state or federal government may provide some assistance and financial support.

Visit disaster-relief-and-support

Go to disasterassistance.service.nsw.gov.au

This webpage can help you find the grants, financial aid packages and support you may need. Includes accommodation, household items and wellbeing support.

service.nsw.gov.au can help you find government services and information on concessions and rebates.

Banks and insurers

There are special teams to help you if you have money concerns.

Call your bank or visit their website and find the 'Financial Hardship' link.

Phone, utilities, local council

Visit your providers websites and search for hardship provisions. Your local council can also help if relief is needed.

Financial and insurance guidance, tools and resources

Visit moneysmart.gov.au to connect you to emergency financial links, money tools and financial support agencies.

See insurancecouncil.com.au for insurance guidance, tips and practical information to improve your understanding of insurance (provided by Insurance Council of Australia). In the event of a disaster, the Insurance Council of Australia also activate a Disaster Hotline, phone 1800 734 621.

Visit ndh.org.au for free, confidential advice from a **National Debt Helpline** financial counsellor, or phone **1800 007 007**.

Always use safe, reliable sources of information and financial support, such as government-backed schemes.

Safe and affordable credit

Good Shepherd provides safe, fair and affordable financial services to people on low incomes. The No Interest Loans (NILs) offers loans up to \$3000 for essential goods like fridges, washing machines and furniture. There are no fees or charges.

Call **13 64 57** or visit **goodshepherd.org.au**

Rural financial services

Free financial counselling service for farmers, fishers and small rural businesses. See **rfcnsw.com.au**

Legal Support

Phone and utilities

If you can't resolve your issues with the provider companies, contact the relevant regulator.

Telecommunications Industry Ombudsman (TIO) on **1800 062 058** or visit **tio.com.au**

Contact the Energy and Water Ombudsman NSW on **1800 246 545** or visit **ewon.com.au**

Renting

For repairs, maintenance or damage disputes, consider making a complaint at Fair Trading NSW. Visit **fairtrading.nsw.gov.au**

If you prefer to talk with someone about your complaint then call **13 32 20**

You can also seek advocacy services at the Tenants Advice and Advocacy Services. Call **8117 3700** or visit **tenants.org.au**

Insurance claim disputes

To understand different types of insurance products, get tips on preparing for disasters and estimate the potential cost of rebuilding your home, visit **insurancecouncil.com.au**

If you would like free advice about insurance problems call the Insurance Law Service on **1300 6633 464** or visit **insurancelaw.org.au**

If you can't reach an agreement or want to dispute a claim, you can lodge a complaint with the Australian Financial Complaints Authority (AFCA). Call **1800 367 287** or visit **afca.org.au**

Financial legal services

Financial Rights Legal Centre provides free advice and advocacy for consumers in financial stress. Call on **1800 844 949**

Legal aid

Disaster Response Legal Service NSW can help you with everyday legal problems including insurance claims and disputes, financial hardship, tenancy and Centrelink. Call **1800 801 529** or visit **disasterhelp.legalaid.nsw.gov.au**



Emergency contact numbers

Contact the relevant local resources to get your local phone numbers or emergency website addresses.

Fill in this table with the contact details and keep handy for any emergency.

Complete the Emergency Contact Numbers sheet and keep it in a handy place, or stick it on your fridge.

Emergency: police, fire, ambulance

Call: Triple Zero (000)

NSW RFS – local rural fire service

Bush Fire Information Line – 1800 NSW RFS (1800 679 737)

For your local NSW RFS contact office, visit rfs.nsw.gov.au/about-us and see Fire Control Centres.

NSW SES

Call: 132 500 Visit ses.nsw.gov.au for emergency assistance in storms, floods and tsunamis.

Fire + Rescue NSW

For information about home fire safety visit fire.nsw.gov.au or call 02 9742 7548

For all life-threatening situations, call Triple Zero (000) immediately.

Local council emergency hotline

Find your local council

NSW Office of Local Government: olg.nsw.gov.au

Friend/family member with copy of important documents

Local hospital

Vet

RSPCA NSW

For your local office, visit rspcansw.org.au/contact-us/

Insurance company

Prepared with the assistance of:

Resilience NSW

Australian Red Cross

St Vincent de Paul Society (North East NSW)

Snowy Monaro Recovery Support Service

Bega Valley Shire Council Recovery Support Service

Community Links Recovery Support Service

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The views expressed herein do not necessarily reflect the views of the New South Wales Government.

The information in this guide and the references provided are for general information only and should not be taken as constituting professional advice. Good Shepherd Australia New Zealand is not a financial adviser. You should consider seeking independent legal, financial or other advice to check how the information in the guide relates to your unique circumstances.

Good Shepherd Australia New Zealand offers a range of affordable financial programs to people who are financially vulnerable. These programs promote economic wellbeing for people with low incomes, especially women and girls, and enable them to move from financial crisis to resilience and inclusion.



**Resilience
NSW**



Good Shepherd

Australia New Zealand



Get Ready for Disasters

Five simple steps to prepare for disasters



1. Know your risk

Think about the area you live in and the types of disasters that could affect you.



2. Plan now for what you will do

Sit down and talk with your family and plan for what you will do if a disaster affects your area.



3. Get your home ready

Prepare your home by doing general home maintenance and checking your insurance.



4. Be aware

Find out how to prepare and what to do if there is a disaster in your area.



5. Look out for each other

Share information with your family, friends, neighbours and those who may need assistance.