

Protect what matters most.



**Disaster-proof
your finances**



Government of
South Australia



DISASTER
RESILIENT
AUSTRALIA



Good Shepherd
Australia New Zealand



Get ready!

From sandy beaches to the dusty desert and everything in between, there's no doubt we live in a beautiful place in South Australia.

Sometimes the unexpected can happen like a bushfire, flood or storm so we all still need to prepare to protect what matters the most to us.

If you're not ready, a natural disaster can become a financial disaster for you and your family.

This toolkit gives you some easy steps to follow, so that you are financially ready and able to get back on your feet if disaster strikes.

This project was funded by the Commonwealth Department of Home Affairs and the South Australian State Government from the Preparing Australia Package and the Natural Disaster Resilience Program.

Views and findings associated with this initiative are expressed independently and do not necessarily represent the views of State and Commonwealth funding bodies.

What **matters** the most?

A disaster can very quickly change your whole life.
That's why you need to plan ahead.

You might find it easier to consider:



1. People

You, your family, friends, neighbours, colleagues and even your pets.



2. Place

Your home, garden and community.



3. Possessions

Your things: such as furniture, car and important documents.

This toolkit concentrates on **place** and **possessions**.

Make some time to think about:

- What are the things that matter to me and what is their value?
- What are the ways I could lose the things that matter to me?
- What have I done to protect the things that matter to me?
- You need to think about where you live and what you own.

If a disaster struck tomorrow, would you be financially ready?

- Could you afford to replace your furniture?
- Could you pay rent or your mortgage while your home is repaired?
- Could you cover the cost of transport if your car is destroyed?



One in ten adults do not hold any form of insurance, and 12% have unmet needs for insurance¹.



If you don't have enough insurance, you could be out of pocket when a disaster hits.

¹ Centre for Social Impact & NAB (2018), 'Financial security and the influence of economic resources', *Financial Resilience in Australia 2018 – December*.

Six steps to get disaster ready

These steps will help you work out what matters the most to you and how you can protect those things.

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What is **risk**?

Australia is a land of extremes. Living here means you could one day face an emergency as a result of a natural disaster.

Understanding your risk, how, when, why and where a disaster could happen is the first step towards protecting what matters.

You can reduce some risks – like turning on the alarm before you leave home – but some risks are unavoidable.

Natural disasters may seem like a low risk but they can have a big and long-lasting impact. That's why it is important to understand your risk and act now to protect what you have.



Likelihood – What is the risk to you? If where you live has more risks, your likelihood will be high. *Go to Step 1*

Consequence – What would you lose if disaster struck? A higher value means the higher the consequence. *Go to Step 2*

Nikki lived in a rented house at Gawler but, because she didn't own the house, Nikki didn't think she needed insurance.

She mistakenly thought the landlord's insurance would pay for any damage caused by a disaster. Nikki found out that wasn't the case when a severe storm knocked down a tree, which went through the roof of the house.

Rain poured through the hole in the roof and damaged everything Nikki owned including her bed, fridge, television and even the washing machine.

While the landlord's insurance paid to fix the roof, it didn't cover anything that Nikki lost. She didn't have any savings to replace her possessions, so Nikki had to borrow money to replace her household goods.





STEP
1

Know the **disaster risk**

You might be tempted to under-estimate your risk, to reduce how much you pay for insurance, but that can backfire if you lose everything.

Here are a few things to think about.



Take action!

Take time to research your risk exposure for the following categories. Space has been left to leave additional risks below.

These are good starting points for finding out:

- 1. Ask your neighbours and others in your community** – talk to people who know the area where you live. Has there been a disaster in the past?
- 2. Consult your council** – your local council will know all about disasters in your area. Visit the council or ask at your local library.
- 3. Online research** – The Australian Disaster Resilience Knowledge Hub is a good place to look online. It has an interactive DisasterMapper.

Flood risk



No risk



Extreme risk

Burglary risk



No risk



Extreme risk

Fire risk



No risk



Extreme risk

Storm risk



No risk



Extreme risk



STEP
2

Know your **financial risk**

You may be surprised when you add up the value of all your belongings. Especially when you think about how much they would cost to buy again. Doing this gives you an idea of how much money you would need to replace your property and possessions.



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



Take action!

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>



STEP
3

What is **insurance?**

Insurance can be complicated and difficult to understand but it's also the best way to financially protect yourself. Insurance can provide a financial safety net if a disaster or unexpected event damages your place and possessions.

a. What type of insurance do you need?

There are many different types of insurance but we will focus on insurance for your place and possessions. Here are some examples:



Ida and Rob live in Kapunda

- Own car
- Don't own home
- \$8,000 worth of possessions
- Large number of medications

- Car insurance
- Home insurance
- Contents insurance

Because Ida and Rob are renting it is the landlord's responsibility to pay home building insurance.

Ida and Rob are responsible for insuring their possessions and need to make sure their contents insurance covers medications too.



Ayesha lives in Salisbury

- Rents a car when she needs
- Rents her unit
- \$2,000 worth of possessions

- Car insurance
- Home insurance
- Contents insurance

Ayesha is only responsible for insuring her contents. When she rents a car, Ayesha needs to make sure she includes comprehensive car insurance.



Sonia and Ali live in Cape Jaffa

- Have two cars
- Own home
- \$10,000 worth of possessions

- Car insurance
- Home insurance
- Contents insurance

Sonia and Ali own their house, so they need home building insurance. They also need to insure their vehicles and possessions.

It's time to work out what **insurance you need.**



Take action!

Fill in the table below.

Insurance type	Do you need it?	Do you have it?
Car insurance		
Home insurance		
Contents insurance		



If you work from home – It's important to note that contents insurance doesn't generally cover your work equipment such as a computer or printer. It usually only covers personal possessions in the house. Be sure to check if you need to buy a separate business insurance policy.



Hot tip – There are three types of car insurance: third party, comprehensive and compulsory third party (CTP). CTP is a legal requirement. Each cover protects different elements, so you will need to understand them all if you have a car. Search online for 'vehicle insurance SA Gov' for a useful guide to car insurance.

b. Find the **right insurer**

There are thousands of different insurance policies. To get the right one that suits your situation, you need to ask lots of questions.

- 1. Get quotes from at least two insurers** – some will match or beat competitor prices and include more in the package.
- 2. Consider your excess** – this is a lump sum of money that you agree to pay if your insurance claim is successful. Choosing a lower excess generally increases the cost of your insurance policy.
- 3. Review your insurance every year** – life changes and the insurance policy that covers you now may not suit you next year. Don't get caught out.
- 4. Check exclusions** – These are the things that your insurance policy won't cover. Go to section 3d on page 14 for more information.

Need help?

The Insurance Council of Australia will help you review different insurance policies. Visit findaninsurer.com.au to find out more.

The National Insurance Brokers Association will help you find a broker. Phone **1300 53 10 73**.

Hot tip: If you're on a low income, you can still get affordable insurance. Visit goodinsurance.org.au to find out more.

c. Jargon busting: words you need to know

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.



d. Policy exclusions

Many insurance policies exclude (will not pay for) the loss of certain items or in certain circumstances. That can be something like self-inflicted damage or damage caused by stormwater flooding.

It's very important to understand what is excluded when choosing your policy. Visit the Insurance Council of Australia website to learn more.



Take action!

e. Making 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.

Claim Checklist

- Inform the 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.



Poonam and Habib moved to a semi-rural area outside the city. They have always had insurance on their property and possessions but didn't realise they needed to upgrade their insurance coverage to reflect the higher value of the new property. The only thing they changed was their address, leaving the level of coverage the same as it had always been.

Being new to the area they didn't realise the higher risk of bushfire. A fast-spreading grass fire that started on a neighbour's property soon engulfed their home.

The couple lost not only their home but all of their possessions including an heirloom necklace once owned by Poonam's great grandmother.

When they went to claim the loss on their insurance, Poonam and Habib were shocked to discover they were underinsured, and that the insurance would go nowhere near covering the cost of rebuilding their home and replacing all of their contents.

Poonam and Habib ended up thousands of dollars out of pocket.



STEP
4

Protect your paperwork

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 photographs of them or scan your documents and email them to yourself. It's also a good idea to save a copy of them to a USB and give it to a family member or trusted friend to keep safe.



Take action!

Tick off the list once you have made copies and stored them safely.

- 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/RV 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.



STEP 5

Some things can't be replaced

Your grandmother's ring, your uncle's pocket watch or the old chair that's been passed down through the family...

Some of our belongings aren't worth a lot of money but they mean the world to us emotionally. These things can't be replaced with an insurance payout, so you must plan ahead.

Imagine if you lost all of your photographs or letters and cards from family and friends that you hold dear.

It's a good idea to scan them and store them electronically, but don't just store them on your phone or computer. Put them in the Cloud or email them to yourself. Save them to USB as well which you can give to a family member for safekeeping.

You should take photographs of paintings and jewellery too and store those in the same way. Even if the items are not worth a lot, the images can help you identify to relevant organisations what was lost.



Take action!

Make a list below, noting the things you want to keep safe in a disaster and how you can protect them.

Photos and paintings

Jewellery

Other

Hot tips: Being prepared is the best way to protect all of your dearest possessions. **State Emergency Service (SES) SA** and **South Australian Country Fire Service (CFS) SA** have resources to help you in a variety of languages:

SES Resources

- Fact sheets and animations – Flood, Storm, Heatwave
- Checklists – Flood, Storm, Heatwave
- Checklist – Emergency Kit

Access + contact

ses.sa.gov.au

For community program information contact:
(08) 8115 3800
saseshq@sa.gov.au

CFS Resources

- Brochure – Your Guide to Bushfire Safety
- Online tool – 5 Minute Bushfire Plan

Access + contact

cfs.sa.gov.au

For community program information contact CFS Community Engagement:
(08) 8212 9858
cfsengagement@sa.gov.au



Thomas and Julia both have casual jobs in the hospitality industry so, depending on how many shifts they get each week, money can be a little tight.

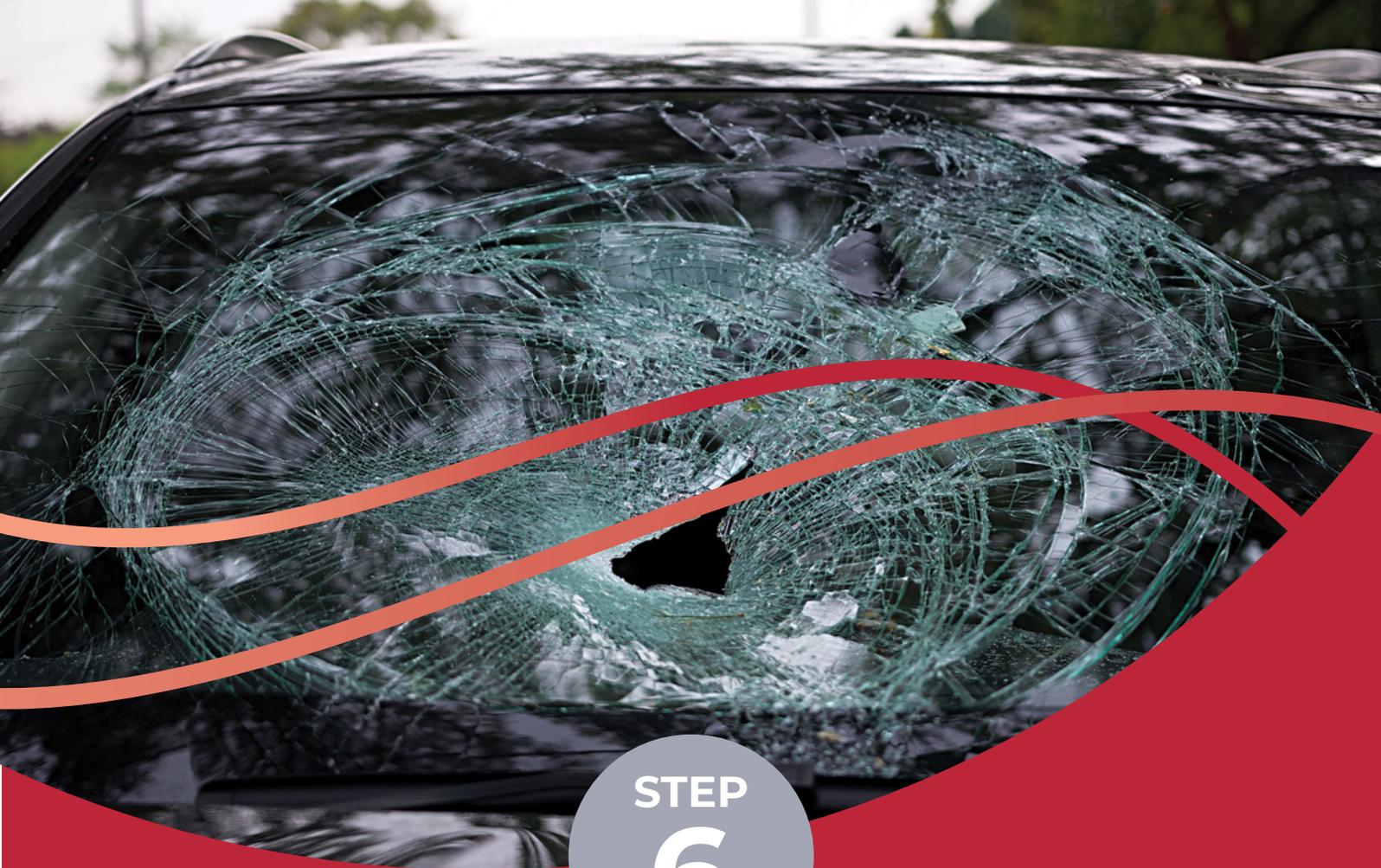
They have a mortgage and car loan and spend a lot of what they earn on day care and medication for their three-year-old son Jacob.

Julia has many things which are not worth much money but mean the world to her, like family photo albums, her mother's old costume jewellery and pictures drawn by Jacob.

Both Thomas and Julia knew how important it was to insure their possessions against the unexpected, but they didn't realise how important it was to make digital copies of their documents and store their treasured possessions in a safe place.

When a neighbour's house caught fire, it spread to Thomas and Julia's house and it took them a long time to find all the documents they needed to make an insurance claim and get repairs started.

Many important papers and possessions were damaged in the fire, including Jacob's prescriptions, which added to the family stress as they tried to find a rental property to move into.



STEP
6

Help in your community

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

There are many organisations offering **services and support** to help you prepare for or recover from a disaster. Here are some you might need:

Financial hardship

Banks and insurers

Have special teams to help you if you have money worries.

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

Phone and utilities

Visit their websites and search for hardship provisions. The South Australian Council of Social Service (SACOSS) has information on other concessions and emergency relief.

Search online for 'SACOSS concessions and emergency relief'.

Safe and affordable credit

Good Shepherd provides safe, fair and affordable financial services to people on low incomes.

The No Interest Loan Scheme (NILS) offers loans up to \$2000 for essential goods like fridges, washing machines and furniture. There are no fees or charges. StepUP is a low interest loan, with no fees and up to three years to pay it back.

Call 13 64 57 or visit goodshepherdmicrofinance.org.au

Legal support

Phone and utilities

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

Contact the Telecommunications Industry Ombudsman (TIO) on 1800 062 058 or visit tio.com.au. Contact the Energy and Water Ombudsman SA on 1800 665 565 or visit ewosa.com.au.

Renting

Check your rights with the Tenants' Information & Advisory Service.

Call 1800 060 462 or visit syc.net.au/home/housing-support/tias.

Insurance claim disputes

If you can't reach an agreement or want to dispute a claim, you can lodge a complaint with the Australian Financial Complaints Authority (ACFA).

Call 1800 367 287 or visit acfa.org.au.

Financial legal services

Consumer Credit Law Centre SA provides free legal advice and action on behalf of vulnerable and disadvantaged South Australians. Consumer credit problems include debt, hardship, mortgage stress and bankruptcy.

Call 1300 886 220 or visit consumercreditsa.org.

Emergency recovery

Community services

The Red Cross, St Vincent de Paul, Uniting Communities, Salvation Army, and Wesley Mission may be able to help with food, shelter and household items.

Visit their websites.

Emergency services

Following major emergencies, local, state or federal governments may provide some financial support.

Visit www.sa.gov.au and click on the 'Emergencies and Safety' link.



Saving for a rainy day

Emergencies can be expensive so it's a good idea to make sure you have some money put aside for a rainy day.

Almost 1 in 5 of us can not raise \$2,000 in a week in the case of an emergency².

Imagine if you lost everything, even if you are insured it will take time for the money to come through and you'll need cash to provide your family with the essentials. The cost of little things can add up if you have to replace it all at once.

If you struggle to put money away, it might help to make a budget to see where you could save a few dollars. Write down everything you spend and all of your bills. When you know what you are spending money on it's easier to see where you might be able to save.

Maybe you can make yourself a packed lunch or switch to a cheaper phone plan? Shop around when you are buying groceries and put away those extra few dollars for your rainy-day fund.

Make sure you keep your savings separate from your everyday money so you aren't tempted to use it until you have to.

2 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.

