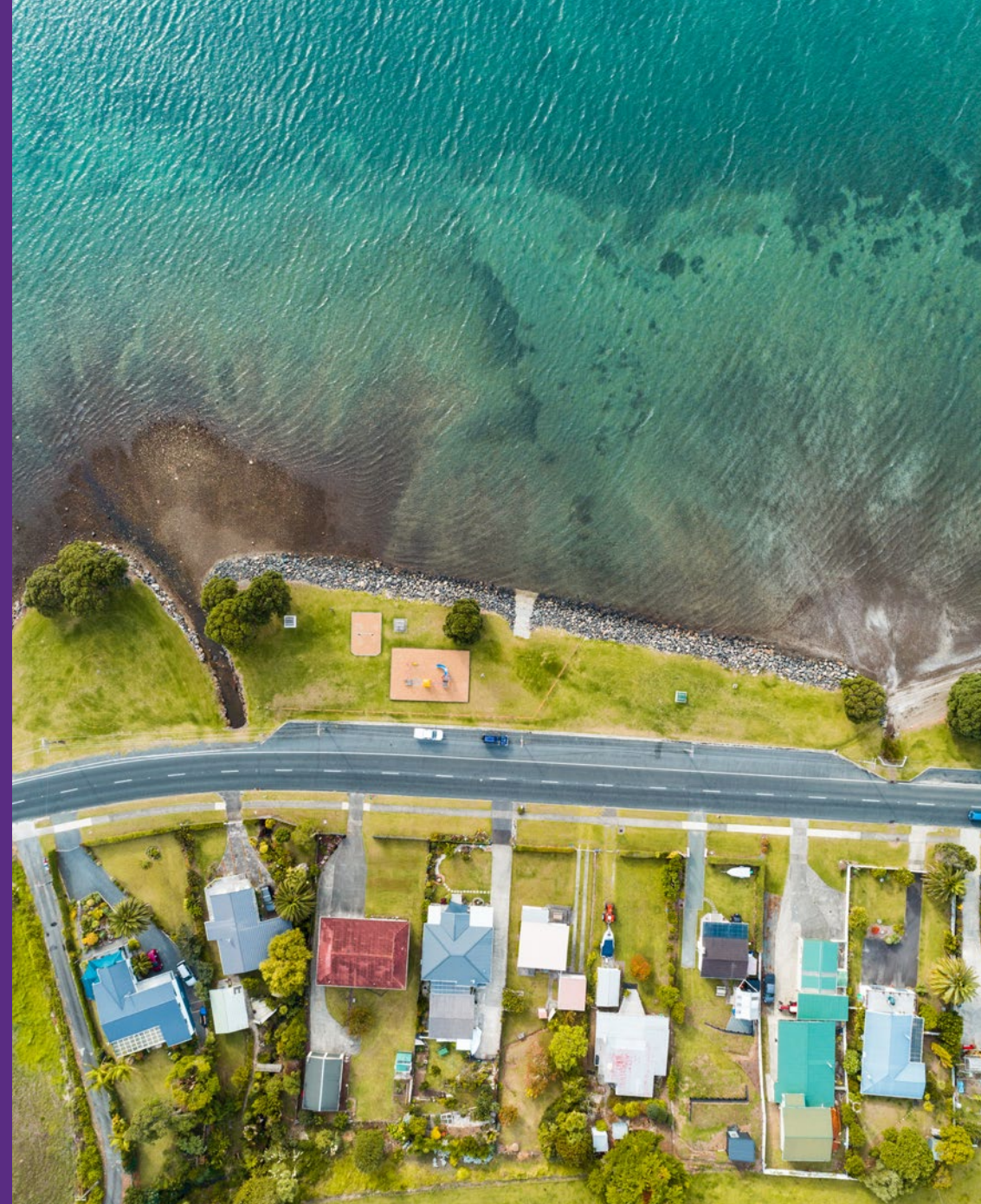


New Zealand Wild Weather Tracker

Issue 5 – May 2024



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Contents

Foreword	2
Weather snapshot: September 2023 – February 2024	4
Insurance: The Bigger Picture	7
Community research results	8
In depth: Researching your home's natural hazard risk	10
Climate close up: Preparing for winter	11
Community preparedness	12
Emergency checklist	13
Resources and contacts	14



Photo opposite: Stranded cows in Hawke's Bay after Cyclone Gabrielle

“ We are committed to helping people identify and understand the risks they face. We will continue to share our insights and expertise, collaborate with councils and government, and to advocate for our customers. ”

Amanda Whiting, Chief Executive AMI, State and NZI Insurance



Takapuna, Auckland

Momentum

For most of us around the motu, this summer’s weather was relatively mild – especially when compared to the same time last year. But while the sunshine was welcome respite, work must continue to consider how as a country, we prepare and protect ourselves from the impacts of a changing climate.

As New Zealanders come to terms with this issue, we have an important role to play as an insurer.

We are here to help people buy a policy and make claims, and we are also here in between – for queries, assistance and helping people get back on their feet financially when something goes wrong.

By doing this we give people the confidence to get on with life and run a business, buy and sell houses, invest, import and export goods and to do so knowing that a safety net is there.

AMI, State and NZI are a part of New Zealand’s largest general insurer, which means we help to protect more homes and businesses than anyone else. That is a responsibility we take seriously, which is why we are relentless in our focus on reducing risk, as this is the only proven way of keeping people insured.

We are committed to helping people identify and understand the risks they face. We will continue to share our insights and expertise, collaborate with councils and government, and to advocate for our customers. We want people to be able to make informed choices and prepare themselves at an individual, community and national level, so that we can all live and work in a safer world.

Continued overleaf..

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Our future climate will look very different to the past and bring with it new challenges. However, we intend to continue playing our part as a strong, reliable, and sustainable insurer.

When a population is well insured, we are all better off. But we can't achieve this alone.

I remain optimistic and confident that we have the will and the ability to do this together.

We need to keep up the momentum.

Amanda Whiting,
Chief Executive AMI, State and NZI Insurance

We make your world a safer place.
Ka haumarū ake i a mātou tō ao.

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About this issue

This Wild Weather Tracker records insurance data for weather-related claims received during the six-month period from 1 September 2023 – 29 February 2024. Claims from events that occurred in this period, but that were received outside the cut-off date, are not included.

The data relates to weather-related claims for all the brands that IAG New Zealand trades under: AMI, State, NZI, NAC, Lumley and Lantern, as well as the insurance products of BNZ, ASB, Westpac and the Co-operative Bank. EQC claims, that we lodge on its behalf, are not included.

Note that the number of weather events recorded in each Wild Weather Tracker are for storms that incur over NZ\$1M in costs. This means smaller storms, that incur fewer claims and costs, are excluded.

The community data presented on pages 8-9 was commissioned from market research agency Ipsos. This research was in market during March 2024, with a nationwide sample of 1,000 people, and has a margin of error of +/- 3.0.



A view of the Waikato River, taken near Fairfield Bridge, Hamilton

El Niño fuels a hot, dry summer

This spring and summer were marked by hot, dry weather, with occasional strong winds, a typical weather pattern for El Niño.

Over the summer, most of the country experienced temperatures typically above average, boosted by strong marine heatwaves. NIWA reported that this summer was the ninth-warmest on record, and the hottest on record for Whakatāne and Kawerau. Of our six biggest cities, Auckland and Tauranga were the equal-warmest, Tauranga was the sunniest and wettest, Christchurch was the driest, and Dunedin was the coolest and least sunny. Hamner Forest recorded the highest temperature of the summer, reaching 37 degrees Celsius on 5 February.¹

The country experienced several wildfires over the season, with fire restrictions and prohibitions put in place for many regions. The fires affected vegetation, infrastructure, rural and residential areas, including the Port Hills in Christchurch in February 2024.

Claims received

In the last six months, we recorded nine storms where claim costs exceeded \$1 million, slightly fewer than the same period last year (10 storms). However, numbers were well down at 6,712 claims, in comparison to the 41,596 received this time last year. This was expected, given the extraordinary volume of claims we received last year from the North Island floods (January 2023) and Cyclone Gabrielle (February 2023), for which we paid over \$1 billion in claims, an amount second only to the Canterbury earthquakes.

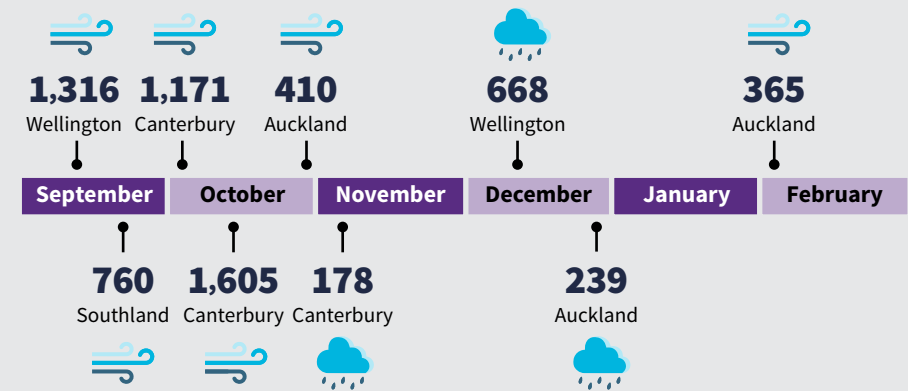
1. Summer 2023-24 | NIWA



Fire on the Port Hills, Christchurch

The generally benign spring/summer of 2023-2024 highlights the unpredictability of wild weather. ‘Big events’ are of course the reason why insurance exists – to be here when people need us. But the settled times are also important so insurers and communities can recover and prepare.

Claims timeline



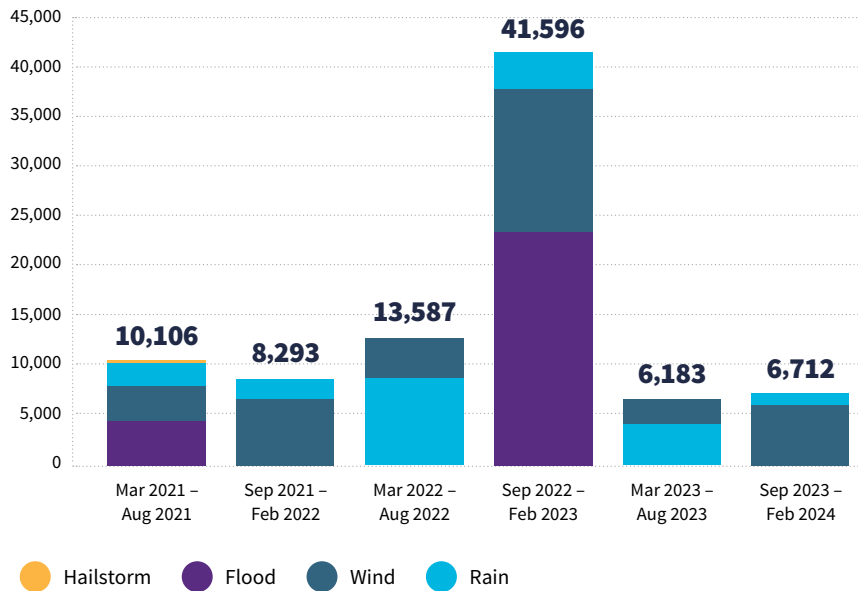
Note: We categorise ‘events’ as a storm that incurs over \$1 million in claims costs.

Six-month weather snapshot

September 2023 – February 2024

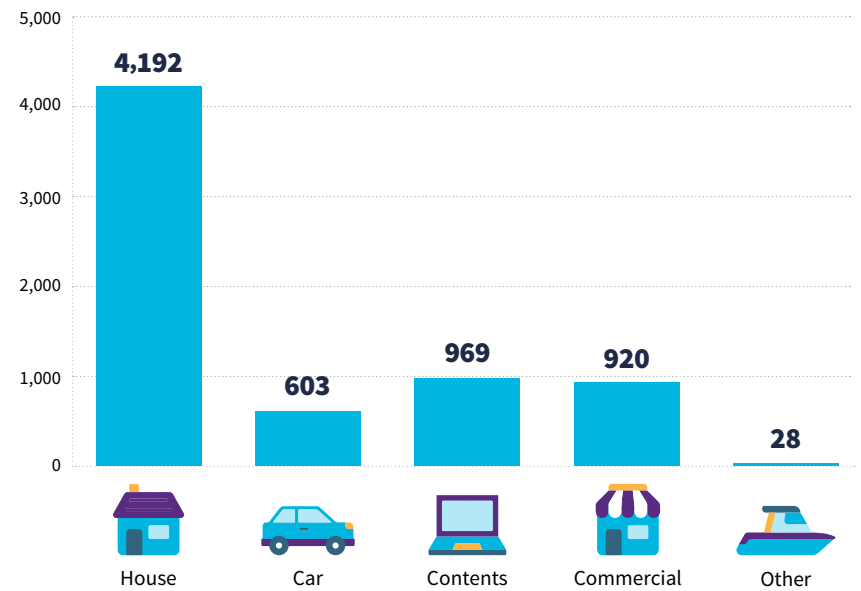
Claims tracker

We received 84% fewer weather-related claims than the same time last year.



Insurance policies

House policies made up the vast majority of weather-related claims between September and February, but there were also claims across contents, motor vehicle and commercial policies too.



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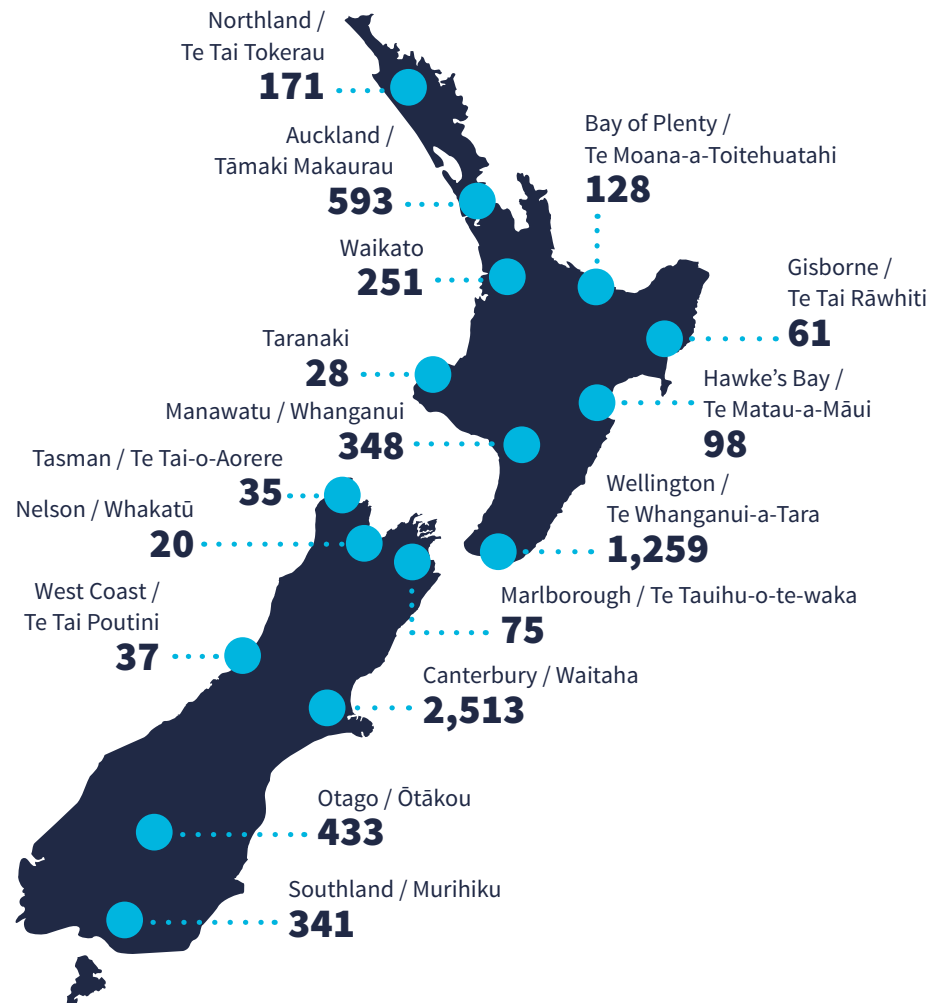


Six-month weather snapshot

September 2023 – February 2024

Regional impacts

Canterbury customers lodged the most weather-related claims, at 37%. Wellington followed with 19% of all weather-related claims in the period, while Auckland made up 9% and Otago 6%.



We also received 321 other weather-related claims during the period.

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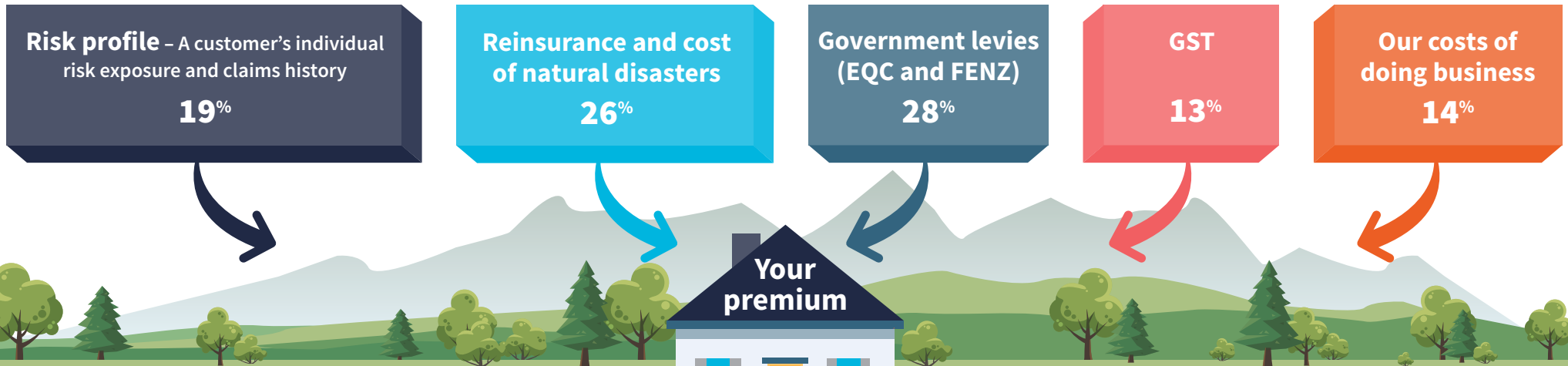


Many New Zealand homes are at risk of coastal inundation, landslips and flooding

Insurance: The Bigger Picture

Insurance is a contract that helps to protect people from financial loss when things go wrong. However, it also plays a wider, important role in the proper functioning of our communities. Below is a simple view of how it works, and the benefits that a highly insured population brings to all of us. In 2024, tax and government levies (EQC and Fire and Emergency NZ) make up around 41% of an average house premium.

These components make up an individual's house premium



Individual level

- Mortgage lending** – The ability to secure lending to buy houses.
- Asset protection** – This gives people the confidence to take risks, knowing a financial safety net is in place. People are not reliant on state support.
- Economic recovery** – A financial backstop that facilitates a faster and more certain recovery when things go wrong, reducing unexpected and out of pocket costs.
- Peace of mind.**
- Wrap-around support** – Insurance provides temporary accommodation and access to government natural hazard insurance cover.

When the majority of homeowners are sufficiently covered, insurance promotes:



National level

- Housing market** – Insurance means banks can lend on houses, therefore enabling people to buy and sell properties, landlords to make homes available for tenants, and the construction sector confident to build more homes.
- Less dependence on taxpayers** – and ratepayers to fund rebuilds and recovery.
- Economic and social impact** – Insurance helps reduce the economic and social impact on communities by providing financial support, so they can get back up on their feet quicker.
- Local businesses are supported** – through our supply chain (eg labour, equipment, parts).

Wild weather and the housing market

We engaged an independent market research agency to survey New Zealanders on some key topics related to wild weather and how it may or may not be impacting their decisions on where to live.

The survey found that growing weather risk, in addition to exposure to natural hazards, is becoming increasingly important to New Zealanders.

86% of people looking to buy or rent a property today would consider that property's potential to be impacted by wild weather. In contrast, only 55% of respondents said they would have considered weather risks two years ago.

We also asked respondents to rank what they look for when buying a house. While price topped the list, as expected, weather/natural disaster risk was ranked in either first, second or third place for 53% of respondents, putting it second overall, above crime rates, public transport and school zones.



People who would consider a property's potential to be impacted by wild weather, when looking to buy or rent.

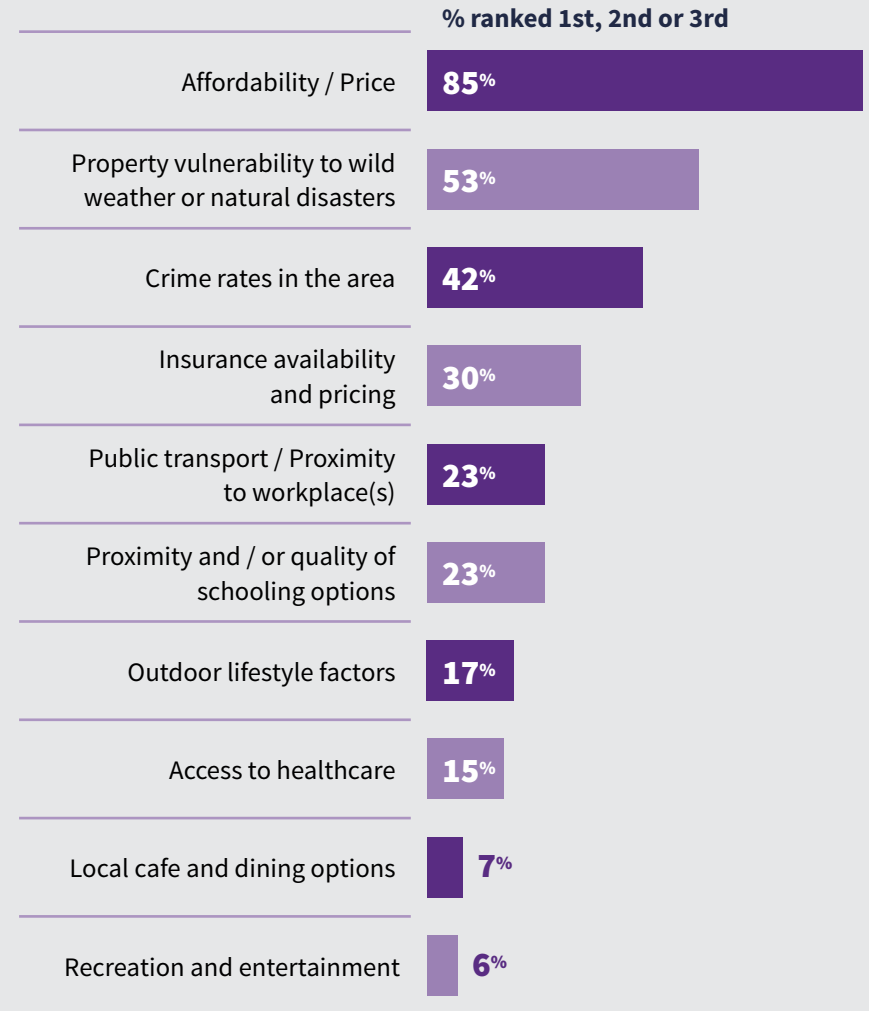
2024
86%

But only **55%** would have considered weather risks two years ago.
Increase of 56%

53%

People who rank wild weather impacts as one of their top three considerations when buying a house.

Considerations when looking to buy a house



More information wanted

Just over half of our respondents thought they knew how to find out about a property's potential to be impacted by weather risks. However, an overwhelming 90% of people wanted to know more about potential natural hazards.

55%

People know where to find information about a property's potential to be impacted by wild weather.

45%

People don't know where to find information about a property's potential to be impacted by wild weather.

90%

Respondents wanted more information available about a property's exposure to natural hazard risks.

When we asked who should be responsible for providing more information about natural hazards, most people thought it should come from the local council.

Responsible for providing information on weather and natural hazards for properties

Local council	79%
Real estate agents	57%
The government	52%
Insurance providers	41%
The home owner should do their own research online	30%
The current / previous owners of the property	27%
Banks	10%
Don't know	3%
Other	1%

Insurance considerations

Insurance availability and affordability is also of importance to people, with 30% putting it within their top three considerations when looking to buy.

While only 46% of people have checked their insurance policy over the past year, 66% of people felt confident that their current sum insured was appropriate for their home.

Taking action to prepare

Most New Zealanders still aren't taking significant actions to protect themselves and their properties from weather risks.

Actions taken to protect properties from weather risks*

Cleaned my gutters, down pipes and drains	49%
Maintained surrounding trees and branches on my property	49%
Checked that my insurance policy is current and adequate	46%
Carried out maintenance work to my house or property	44%
Prepared an emergency kit with essential items	37%
Secured any loose items around my property	37%
Made a home emergency plan	23%
I specifically made alterations to my property	10%
Other	2%
I haven't put any measures in place	14%

Researching your home's natural hazard risk

There are various ways to research your home or community's natural hazard risk. While no amount of research can give you definitive answers, the sources below will help you gain a reasonable idea of the types of risks your property may be exposed to.

Toka Tū Ake EQC

Toka Tū Ake EQC's Natural Hazards Portal is a website where you can research natural hazard risks around New Zealand. It includes council hazard maps and settled EQCover claims on residential properties from 1997 onwards. It also has information on some of the country's most frequent natural hazards, and what you can do to prepare.

[EQC Natural Hazards Portal: Home](#)

Council information

Hazard maps

Many councils have online natural hazard portals, which anyone can use. By entering a property address, you can identify information such as flood prone areas, flood plains, wind risk, coastal inundation, and other hazards.

LIMs

Land Information Memorandums (LIMs) are also useful sources of information about a specific property. Although they differ from region to region, most should have some information relating to hazards that could affect the property. LIMs also show a record of building work on the home, and whether they have proper consents. LIMs can be requested from councils, for a fee.

Speak to council

It is often useful, once you've gathered some council information, to speak directly with your representatives. You can ask follow up questions and for help in interpreting any identified risks.

Get involved

Councils often run drop-in sessions at places like libraries or community centres, where they have representatives available and information on all sorts of topics. These sessions can be useful ways to find out about any developments or plans the council may have for your area, and contribute your feedback.

Vendors and agents

If a property is up for sale, the vendor and their real estate agent have an obligation to disclose what they know about the property, which should include any known risks. When viewing a property to rent or buy, be sure to ask if it has been affected by natural hazards in the past.

Private consultants

Some engineering firms offer reports, such as flood risk assessments, that can be purchased for a fee. Depending on who you use, these will differ in content, so be sure to ask what will and won't be included beforehand.

Engineering NZ: <https://www.engineeringnz.org/public-tools/find-engineer/>

Actions

There are seven core steps you can take to help reduce the impact of natural hazards on you and your home.

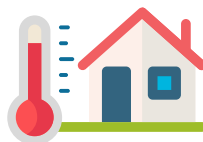
- ✓ Understand the natural hazards that may affect your home and the impacts they could have.
- ✓ Use your knowledge of these hazards and impacts when deciding where to live.
- ✓ Insure your home and contents, and keep your sum insured up to date.
- ✓ Take steps to reduce the impacts of natural hazards on your home.
- ✓ Understand how the local and regional councils are managing natural hazards. Get involved in any changes, and have your say.
- ✓ Be aware of the cost to reduce the impacts of natural hazards.
- ✓ Be prepared to respond when disaster strikes.

Preparing for winter

As we move into the cooler winter weather, it's a good time to think about preparing your home for the change of season. There are many ways to help keep your home warm that can reduce power usage, limit carbon emissions, and ultimately keep those power bills down. Below are some useful tips to start planning and preparing for the cooler months ahead.

1 Heat

Keep your energy bills and emissions under control by keeping the heat in



Heating our homes accounts for roughly a third of our energy usage, so it's important to make sure the heat you put into your home stays inside. Having good insulation solutions like window insulation kits, draught stoppers and thermal backed curtains can help to reduce the amount of heating you need. Choosing an energy efficient heat pump over electric and gas heaters is another great way to save on energy costs and emissions. Heat pump models with a higher star rating are more efficient and generate fewer emissions. If you want to learn the many ways you can reduce your emissions and make your home warm, dry and healthy, visit genless.govt.nz.

2 Renting

Understand your landlord's obligations



If you are in a rental property, it's important to understand your landlord's obligations when it comes to keeping the property warm, dry, and comfortable for tenants. Understand their responsibilities and keep an open dialogue with the property owners or managers. Under the Healthy Homes Standards, landlords are required to install fixed heating that can heat the main living area to 18°C and the home must have insulation. For more details, check out this short factsheet on the [Healthy Homes Standards](#).

3 Outside the home

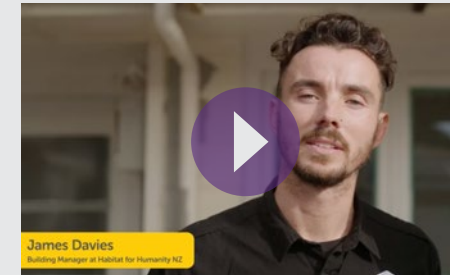
Prepare your property for winter



Before winter kicks into full swing, take some time to clear gutters and drainpipes surrounding your property, prune trees and shrubs, and check the seals on your windows and doors. You could also consider planting a rain garden that can absorb excess water and carbon dioxide from the atmosphere. A rain garden that covers bare land with a diverse range of suitable plants and trees can increase the water holding capacity of the soil and reduce carbon. [Check out this guide](#) to learn more.

AMI is proud to partner with Habitat for Humanity whose great work supports many New Zealanders to enjoy better living conditions.

Check out their short video with tips to keep your home warm this winter.



Creating safe and healthy homes together.



Keeping yourself and your community safe

There are some simple tasks you can do before, during and after weather events to help keep yourself safe. Here are our top tips.

Before an event

- Even if there isn't a storm on the horizon, make sure you're clearing your gutters regularly, pruning trees and shrubs around your house, and fitting seals around doors and windows. All of this helps to reduce damage to your homes and possessions.
- If there is a chance flood waters may reach your home, secure any loose objects outside or move them indoors if you can. Inside, move your valuables, appliances, and furniture off the floor wherever you can.
- Securing loose objects outside – such as garbage bins, chairs and tables, umbrellas, BBQs, trampolines, and pot plants – will also help prevent damage in the event of high winds.
- If your property is at risk of wildfire, take time to create a safety plan for you and your family, as well as a safety zone around your home to slow the spread of fire. Consider converting parts of your property to lawn, planting fire-resistant vegetation, and clearing debris and other flammable matter away from buildings.
- To prepare for an earthquake, make heavy and fragile items safer by moving them lower down, secure large or heavy furniture, latch cupboards and doors, and make sure you know how to turn off your gas and water.

During an event

- Put your safety and the safety of those around you first and always follow the instructions of Civil Defence and emergency services.
- If necessary to keep yourself safe and if you have time, turn off your electricity, gas and water.
- During a weather event, stay inside and avoid travelling whenever possible.
- If it is unsafe to stay where you are, arrange shelter for yourself. If possible, stay with neighbours, friends or family.

After an event

- Listen to the advice of Civil Defence and local authorities and only return to your home when it is safe to do so.
- Do not do anything that puts yourself at risk or could potentially cause more damage. Make sure you wear protective gear.
- Go online or call your insurance company, AMI, State, or your NZI broker to make a claim.
- If you need to, make immediate, necessary repairs to your home, but try to avoid non-essential repairs. Keep copies of your invoices.
- Take photos of your damaged items and make a list to help with your claims. If a damaged item is a health risk, it is okay to get rid of it.

Disaster Claims Hub

AMI, State and NZI customers can check out our Disaster Claims Hub, a one-stop shop for everything you need to know about how to prepare, stay safe and recover in the event of a hailstorm, flood, storm, earthquake, scrub fire, tsunami, or volcanic eruption.

<https://iagnz.custhelp.com/>

Emergency kit checklist

In an emergency, you might need to vacate your home quickly. To make this process easier, it's a good idea to have an emergency kit packed and ready to go. Here is a list of essentials to pack in your emergency kit. Store your kit in a waterproof container or bag, keep it in an easily accessible place, and resupply it on a regular basis.



First aid kit and prescription medicine.



Chargers for your phone and any other devices you may need.



Water and snack food (remember babies and pets too).



Radio (solar, wind up or battery powered).



Walking shoes, warm clothes, raincoat and hat.



Copies of important documents (online or paper). You can do this by taking a photo or a scan of an important document on your smartphone.



Torches and batteries.



Hand sanitiser.

You can download this checklist on our website: www.iag.co.nz/may-2024-weather-tracker

Resources and contacts

AMI, State and NZI Disaster Claims Hub

A digital resource for AMI, State and NZI customers to help prepare for bad weather and easily access information on how to make a claim.

<https://iagnz.custhelp.com/>

Your local civil defence group

In the case of a severe event or emergency, your local authority is responsible for civil defence emergency management in their area. Find your local authority on the national civil defence website:

<https://www.civildefence.govt.nz/find-your-civil-defence-group/>

Get Ready

The Get Ready website has information about hazards in Aotearoa New Zealand and advice on how to prepare for an emergency.

<https://getready.govt.nz/>

Metservice

Stay up to date with forecasts and conditions in your area, as well as severe weather warnings.

<https://www.metservice.com/national>

NIWA's weather and climate forecasting services

<https://niwa.co.nz/services/weather>

Insurance Council New Zealand Te Kāhui Inihua o Aotearoa

<https://www.icnz.org.nz/>

Our Annual Climate Change Poll

Each year we release a climate change poll, tracking New Zealand's attitudes and level of concern around climate change. You can find the results of the latest survey here:

<https://www.iag.co.nz/newsroom/news-releases/climate-change-poll-2023>

Our Annual Snapshot

Our contribution to New Zealand's environment, people and communities is captured in our Annual Snapshot, which can be found here:

<https://www.iag.co.nz/sustainability/reporting/fy23-annual-snapshot>

Wild Weather Tracker website

Visit our Wild Weather Tracker website for videos, photos and more:

www.iag.co.nz/may-2024-weather-tracker

Contact us

Media enquiries media@iag.co.nz

For any insurance queries

AMI 0800 100 200 | www.ami.co.nz

State 0800 80 24 24 | www.state.co.nz

NZI Contact your broker | www.nzi.co.nz

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