

New Zealand Wild Weather Tracker

Issue 2 – October 2022



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Cover and opposite photo: Nelson, August 2022. The Maitai River bursts its banks, flooding properties and destroying infrastructure. Photo: NZME



“ I know that many of us are asking, what’s happening to our weather? Why are we having so many intense, damaging storms? **And what does this mean for the future?** ”

Amanda Whiting, Chief Executive State, AMI and NZI Insurance



Nelson, August 2022. Slips after heavy rainfall. Photo: NZME

We must act now

As we were pulling together this second issue of our Wild Weather Tracker, a severe storm had recently caused widespread flooding in Nelson Tasman, Marlborough, and other parts of the country.

I was able to visit Nelson shortly afterwards and saw some of the damage first-hand. Despite the obvious devastation, I was also encouraged: by the resilience of the community and emergency responders, and by our claims and service teams, who helped our customers lodge claims, find alternative accommodation, arrange property assessments and so on. For some, it will be a long road to recovery, but we are working alongside them and the relevant authorities on their behalf.

Nelson Tasman were not the only regions hit hard by weather over the past six months. Auckland, too, suffered a major storm in March which flooded homes and businesses, with rain that lasted several days and resulted in 4,799 claims. Unfortunately, ‘wild weather’ is a topic that is becoming increasingly relevant to us all.

I know that many of us are asking, what’s happening to our weather? Why are we having so many intense, damaging storms? And what does this mean for the future?

We have endeavoured to answer those questions on page 9, with a feature on Dr Bruce Buckley, our meteorologist, who explains why our weather is changing, the impact of sea-level rise and climate change, and what we can expect in future. I encourage you to take a look.

Continued overleaf...

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As New Zealand's largest general insurer, I feel we have a responsibility to actively participate in the conversation around our changing climate. Recently, I spoke at the Climate Change and Business Conference*, and in August, released a three-step plan that we have put forward to government. Our view is that while we will always do our best for our customers, there comes a point where we must question why we keep exposing people to danger through building homes and infrastructure in flood-prone areas.

Our role is to be there for people financially, but these major storms remind us of the bigger picture: that they also pose risks to people's livelihoods, wellbeing, and physical safety. This is why we are committed to action and are engaging with authorities on matters such as infrastructure and housing developments. You can read our three-step plan on page 6.

There is much we can do to prevent these sorts of events having the devastating impact they do. A large part of that is to be informed, and prepared – and this Wild Weather Tracker is a key part of that. But change will also take collaboration and action.

Amanda Whiting,
Chief Executive State, AMI and NZI Insurance

*Hosted by the Sustainable Business Council, Climate Leaders Coalition and the Environmental Defence Society, 19-20 September, 2022.

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Ka haumarū ake i a mātou tō ao.

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About this issue

This Wild Weather Tracker records insurance claims data for the six-month period from 1 March – 31 August 2022. 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.

The community data presented on pages 7-8 was commissioned from market research agency Ipsos, to uncover New Zealanders' sentiment around changing weather, and how prepared we feel we are. This research was in market in August 2022, with a nationwide sample of 1,003 people, and has a margin of error of ± 3.09 .



Hawkes Bay, March 2022. Westshore Beach storm surge damage. Photo: NZME

Property damage up 34%

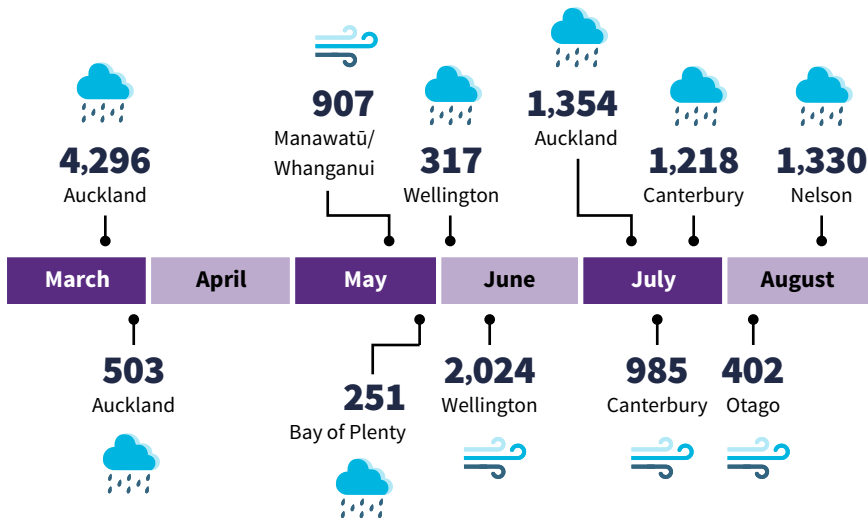
Between March and August 2022, we recorded 11 significant weather events.

This is one less than the same period last year, but the damage incurred by these storms rose by 34% with customers lodging 13,587 claims, compared to 10,106 weather-related claims between March and August last year.

Auckland suffered the vast majority of property damage, with 37% of all weather-related claims. Canterbury had 10% of claims, and Wellington 8%.

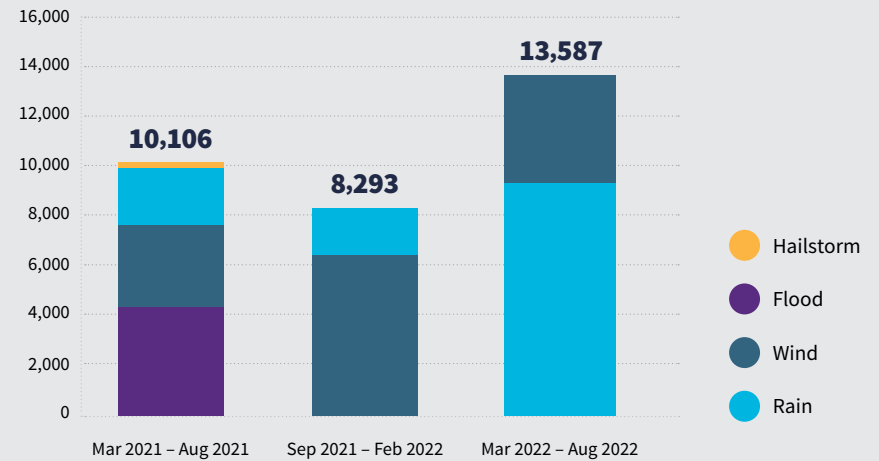
Claims received

Auckland's March storm resulted in the greatest number of claims.



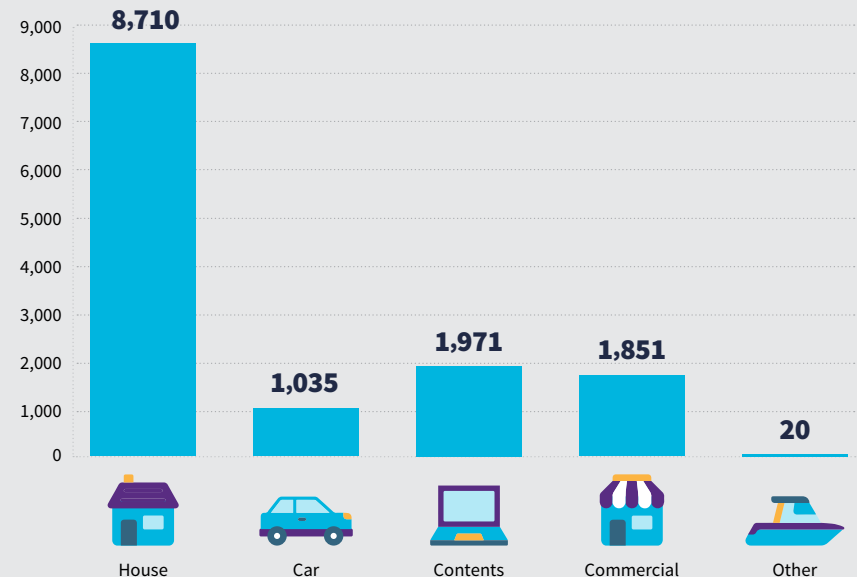
How the last six months compare

We received 34% more claims than the same time last year.



Insurance policies

House policies again made up the majority of weather-related claims between March and August 2022.



Regional impacts

Auckland was the hardest hit region over the past six months, enduring particularly torrential rain and wind over consecutive weeks in March. During that storm, flooding drenched schools, businesses and homes, closed bridges and roads, and caused widespread chaos throughout the region, with NIWA reporting that more than a month's worth of rain fell in about 10 hours.

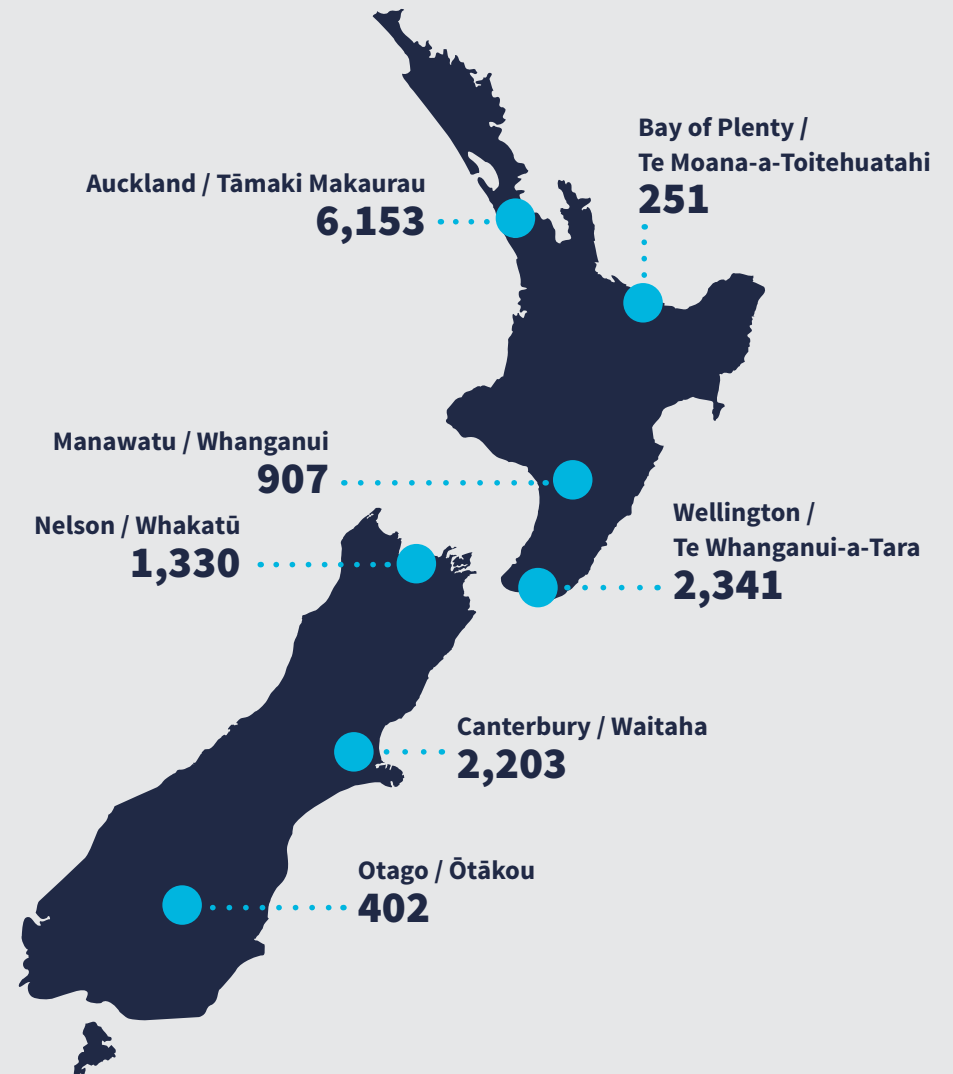
We received 4,799 claims from our Auckland customers for damage incurred between 20-29 March.

In Maungatapere, a new national rainfall record was set for a low elevation station on Monday 21 March.



Auckland, March 2022. Flooding in Albany after torrential downpours. Photo: NZME

Claims received per region



AMI, State and NZI's three-step plan to help reduce flood risk

Currently, development and investment decisions are leading to more people living in flood prone locations, where they face growing risks due to the impacts of our changing climate on rainfall and sea level.

Reducing the impacts of flooding is a large and complex challenge, but not an impossible one. There are practical, concrete actions we can take to increase our resilience.

Our recommended three steps are:

1 A joint government and private sector project to build a common understanding of priority flood-prone communities

First, we need to create a common understanding of which flood prone locations are most in need of support to reduce the risk they face.

This can be done through a formal project between central and local government, and other stakeholders to identify and prioritise flood prone locations. This project needs to take into account current exposure, quality of current flood protections, the financial position of councils, the deprivation and resilience of communities, the availability and affordability of insurance and lending, as well as current flood protection investment plans and projects.

2 Implement a National Policy Statement to cease development in flood-prone locations

Second, we need to stop building in flood prone locations, so the problem doesn't get worse.

This would best be achieved through a National Policy Statement developed by the Ministry for the Environment | Manatū Mō Te Taiao working alongside local government and other stakeholders to develop a statement that requires councils to avoid new development, or intensification of existing development, within locations that are exposed to flooding that may occur more frequently than one in 50-years.

3 Establish a national programme of investment in flood protection

We need to develop and carry out a programme to improve flood defences in our most at-risk communities.

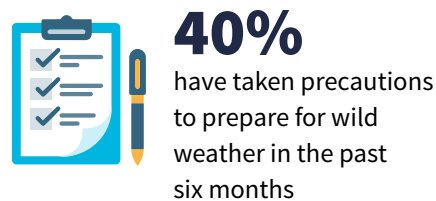
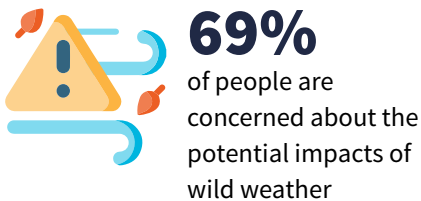
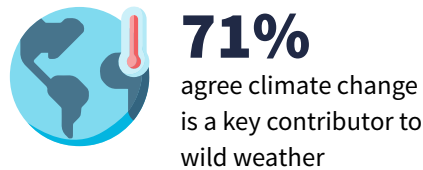
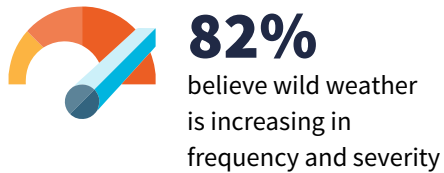
This would involve the New Zealand Infrastructure Commission | Te Waihanga working with Treasury | Te Tai Ōhanga, local government and other stakeholders to develop a business case and a programme of work for investment in flood protection infrastructure for priority flood-prone locations.

We believe these are practical steps that will lead to a sensible and targeted reduction of flood risk for the communities that most need it. We are prepared to play our part in each of these steps.

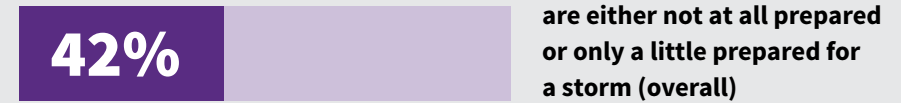
Community preparedness

In August, we asked New Zealanders what they thought about our weather and if they were prepared for a storm.

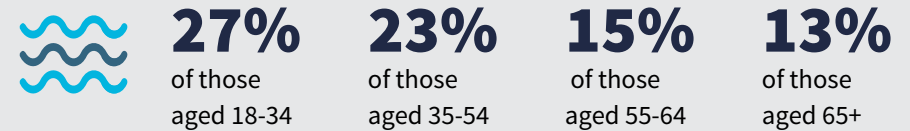
An overwhelming 82% stated that they believe wild weather is increasing in frequency and severity, with 71% agreeing that climate change is a key reason for this increase. And while 69% of people are concerned with how the weather may affect them, only 40% have taken precautions to prepare for wild weather in the past six months, indicating that despite high levels of concern and awareness, this is not converting into action.



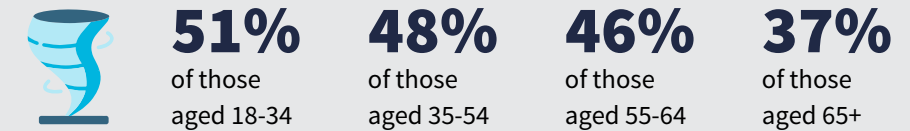
We also asked New Zealanders how prepared they felt to respond if they were affected by wild weather. In general, those between 18-34 years of age were more likely to be unprepared than other age groups.



New Zealanders not at all prepared for a flood



New Zealanders not at all prepared for a tornado



“ Despite very high levels of concern about wild weather and the potential impacts on their properties, people generally aren’t taking steps to prepare. As we head into Spring, I’d urge everyone to do some basic checks like cleaning gutters and drains, trimming trees, and ensuring your insurance cover is up to date. **It can make a huge difference in the event of a storm.** ”

Wayne Tippett, Executive General Manager Claims

Community preparedness

We compared the North and South Islands, and results were generally consistent.

60% of North Islanders had not prepared for wild weather in the past six months

59% of South Islanders had not prepared for wild weather in the past six months



Of those who had prepared, cleaning gutters and organising emergency kits were the most common actions people had made, although rates for both of these were much higher in the South Island. However, people in the North Island were more likely to maintain trees and branches around their homes than those in the South Island (65% vs 50%).

	South Island	North Island
Cleaned my gutters, down pipes and drains	62%	53%
Prepared an emergency kit with essential items	65%	50%
Secured any loose items around my property	49%	52%
Carried out maintenance work to my house or property	47%	49%
Maintained surrounding trees and branches on my property	36%	51%
Checked that my insurance policy is current and adequate	44%	41%
Made a home emergency plan	36%	34%
I have specifically made alterations to my property	12%	15%



Towai, August 2022. Flooding in Towai, Northland. Photo: NZME

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What is happening to New Zealand's weather?

Dr Bruce Buckley, meteorologist for AMI, State and NZI explains.

82% of New Zealanders believe that wild weather is becoming more severe and more frequent*, but the reason for New Zealand's changing climate isn't a mystery.

"There's always a reason why weather does what it does," says Bruce. "It's not random at all. The science gives us a good insight into the type of weather we can expect."

Our oceans are getting warmer

This science points towards warmer oceans, with sea temperatures around the tropical islands north of New Zealand recorded as 2.5-3 degrees (Celsius) higher than normal. Warmer seas make the air warmer too – and warm air leads to heavy rain.

"Warmer air holds more water," explains Bruce. "Right now, there are tropical moisture sources that can hold 20% more water in the air than what we typically saw a generation ago. So, the August floods in Nelson Tasman are a classic example of warmer tropical seas feeding greater quantities of moisture into extremely damaging, heavy rainbands."

While New Zealand's physical location means we have always been susceptible to tropical systems, the effects of climate change and the current and future La Niña-like climate forcing patterns means they are likely to occur more frequently than ever before.

*According to our Ipsos survey. Please refer to page 7 for details.



Christchurch, July 2022. Floodwaters surround vehicles. Photo: NZME

Typically, tropical cyclones weaken to ex-cyclone stage before reaching our shores, but they can still carry damaging winds and intense rainfall. However, Bruce says, New Zealand will become more susceptible to even stronger storms in future, because of our warmer, more tropical seas.

"It means there's less opportunity for the systems to weaken like they used to, before reaching New Zealand, so we'll start to see these Category 5 storms that have previously impacted upon Vanuatu or Fiji getting closer and closer before they start to weaken, which means they can be increasingly severe in future across the New Zealand region."

Compounding this is the record low level of sea ice around Antarctica, which means that even more heat is being absorbed by the ocean, giving climate change an additional kick along, says Bruce.

What about sea level rise?

“New Zealand’s sea level movements are dramatic and more varied than in most other parts of the world,” says Bruce. “Essentially, what’s happening is there are subduction zones, running down the Earth’s fault lines, which makes land sink around some coastline areas, and rise in other areas – such as the Southern Alps. In combination with warming oceans and melting ice sheets, it means that some communities are particularly vulnerable.

“Unfortunately, sea level rise will accelerate and is unstoppable.”

The outlook

“New Zealand’s weather patterns are changing,” says Bruce. “From a forecasting point of view, with these moist, unstable conditions, we’ll see more frequent, intense storms, such as thunderstorms and flash flooding, some of which can also produce significant hail events. Frosty periods will continue, but less frequently and for shorter periods. New Zealand will have more warmer, humid days, more intense rainfall events, and more damaging ex-tropical cyclone impacts.”

About Dr Bruce Buckley and the Natural Perils team

With over 40 years’ experience, Dr Buckley provides State, AMI and NZI Insurance with a wide range of technical advice on all aspects of meteorology and climate change.

He is an expert in the field, holding a PhD in Mathematics (Numerical Weather Prediction) from the University of New South Wales. Dr Buckley is part of our Natural Perils team, which is made up of climate scientists, meteorologists, hydrologists, engineers, statisticians and actuaries.

Their job is to understand extreme weather events so they can accurately assess the risks customers face, while also looking at what we can do to help customers and communities mitigate those risks.

Nelson, August 2022. Flooded paddocks at Glenduan. Photo: NZME

Nelson Tasman & Marlborough flood

In August, heavy rainfall forced a State of Emergency to be declared in Nelson Tasman, Buller, and Marlborough. The storm led to significant flooding and slips, with hundreds of people urgently evacuated from their homes.

How we responded

“When MetService issued the first red weather warning, our initial concerns were for Westport,” says Dan Bielski, NZI, AMI and State’s Manager, Major Events. “But it soon became clear that Nelson Tasman and Marlborough were going to be the worst impacted.

“Within hours of the event, we had set up a Claims Hub within the Civil Defence Support Centre on Trafalgar Street. In these sorts of events, you never know if phone lines are going to be down or roads driveable – so we opened all the options to communicate with customers. This included the pop-up Claims Hub, but also advertisements in print and online, social media updates, signage, website updates, contacting local journalists and even proactively calling customers in the region.”

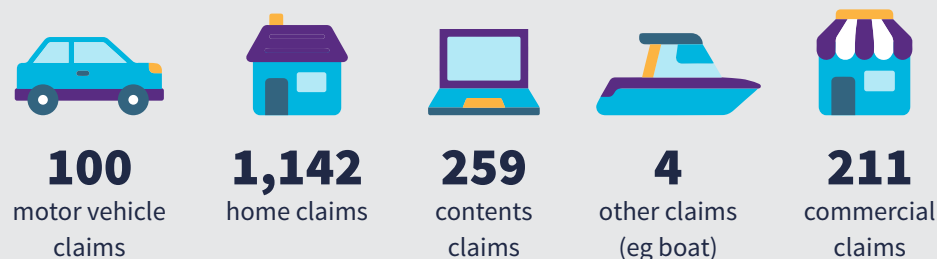
IAG, representing not only AMI, State and NZI, but also NAC, Lumley, Lantern, and insurance customers for BNZ, ASB, Westpac and the Co-operative Bank, was the only insurer with claims personnel on the ground for the first few days following the storm. The team worked closely with the Insurance Council of New Zealand (Te Kāhui Inihua o Aotearoa) and the Earthquake Commission (Toka Tū Ake) and attended the Council’s community forum over the weekend, as well as subsequent community meetings.



Nelson, August 2022. Residents are rescued from the flood waters. Photo: NZME

“We were very clear early on about how we were going to manage the claims,” says Dan. “We ringfenced them by giving them a particular code, so that means we could prioritise the claims, allocating them to a specialist team to look after. This team has been able to work closely with customers to help facilitate speedy settlement payments, arrange temporary accommodation, vehicle repairs and so forth.”

1,716 total claims



These numbers are for all areas affected by the August storm and exclude EQC claims. Numbers are current as at 11 October 2022 and are expected to change.

Claim costs: \$20M (approx)

Climate close up: Emissions reduction

While many of the impacts of climate change may be unavoidable, there are some actions we can take individually and collectively to help reduce them.

With transport responsible for around 40% of New Zealand's emissions, it's a good place to start making changes. Jessica Rodger, AMI, State and NZI's Sustainability Manager, gives her view.

The best thing we can all do to help reduce the damaging impacts of climate change is to reduce carbon emissions. At AMI, State and NZI, we're aiming to be net zero across our value chain by 2050.

Although a certain amount of climate change is unavoidable, steps we take now to substantially reduce emissions will help to reduce the severity and intensity of future climate change. But what can you do, as an individual?

Although there are a range of areas in your life where you could look to reduce emissions – everything from how you heat your home, to what you buy, to what you eat – one of the areas that you can make the biggest difference in is transport.

Transport is responsible for around 40% of New Zealand's overall Co2 emissions, and the good news is that solutions already exist to reduce these¹ – we're not waiting on some future technology.



Some of the things you can do include:

- **Think about upgrading your car to a lower emissions vehicle:** While not everyone can afford a new EV or hybrid, even upgrading to something newer or smaller – and more fuel efficient – will make a difference to your emissions and save you money. And if you can afford an EV, you could reduce your driving emissions by over 80%!
- **Think about swapping car trips for alternative transport methods:** The majority of car trips made in New Zealand are reasonably short ones, so think about which of these you might be able to swap out – even occasionally – for a bus or train ride, walk or even a cycle. Active transport – walking and cycling – also have health benefits too, both physically and mentally.
- **Think about your travelling:** With the borders open and international travel available again, many people are planning travel to far-flung places. Air travel has a big carbon footprint, so think about planning your trip to minimise plane rides (got lots of family to visit? Do it on one big trip rather than lots of small ones) or try and use rail travel rather than planes where you can.

At AMI, State and NZI, we're transitioning our entire vehicle fleet to EVs and hybrids, as it will help reduce our carbon emissions now, and also ensure these vehicles flow into the second-hand market when we're done with them.

¹ <https://environment.govt.nz/assets/publications/Aotearoa-New-Zealands-first-emissions-reduction-plan.pdf>

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/>

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 New Zealand Aotearoa 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 Fifth Annual Climate Change Poll

This year we released our fifth climate change poll, tracking New Zealand's attitudes and level of concern around climate change. We looked at how things have changed over the five years, and to what extent people's level of concern is flowing through to action. You can find the results of the survey here: <https://iag.co.nz/newsroom/news-releases/climate-poll-2022-release>

IAG Group's Climate & Disaster Resilience Action Plan

Our climate change activity is underpinned by our Group Climate & Disaster Resilience Action Plan.

<https://www.iag.com.au/safer-communities/climate-disaster-resilience-action-plan>

Previous editions of our Wild Weather Tracker are available on the IAG website.

<https://www.iag.co.nz/newsroom>

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