

New Zealand Wild Weather Tracker

Issue 1 – April 2022



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Cover photo: Auckland, August 2021. Photo: NZME

Photo opposite: Westport, July 2021.

The devastating flood left many residents without homes. Photo: NZME



“ While supporting customers through claims is a critical part of what we do, **we also have an important role in helping New Zealanders understand their risks and how to prepare for them.** ”



Auckland, August 2021. Residents escape flooded farmland. Photo: NZME

AMI, State and NZI – helping New Zealanders prepare for more extreme weather

As New Zealand’s largest general insurer, we see the impacts of wild weather first-hand.

As the climate continues to change, extreme weather is becoming more severe, frequent, and unpredictable. In the last few years alone, we’ve seen communities devastated by hailstorms, floods, and wildfires.

We have a relationship with one in every two New Zealand households, and that means every day we’re helping people recover from loss, misfortune, or disaster.

We don’t take this responsibility lightly.

The claims and event numbers in this Wild Weather Tracker (the Tracker) are not merely data points, but represent our fellow New Zealanders whose homes have been damaged, memories lost, inconveniences faced, and lives and businesses rebuilt.

While supporting customers through claims is a critical part of what we do, we also have an important role in helping New Zealanders understand their risks and how to prepare for them. Part of that work is sharing the trends we are seeing in weather patterns.

We have been studying the impacts of the changing climate for nearly 20 years and have been continuously advocating for greater collaboration across the public and private sector on the need to adapt.

Continued overleaf...

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Our country requires greater investment in infrastructure and other solutions that either protect people or move them out of harm's way. We need greater investment in flood protection, sensible controls around where new homes can be built, and regulations that make existing homes more resilient.

Insurance is one component of the solution, and we will continue to provide insurance for our customers because that's what we do.

Our [Climate and Disaster Resilience Action Plan](#) describes how our business will respond to climate change, and a key part of the plan is looking at how we can help our customers and communities prepare, and reduce their risks as much as possible.

The Tracker collates details of climate related claims for all of the brands that IAG trades under: AMI, State, NZI, NAC, Lumley and Lantern, as well as the insurance products of BNZ, ASB, Westpac and the Co-operative Bank. In this first edition, we have compiled 10 years of claims data to show the long-term trends in the frequency and scale of weather events. We have also taken an in-depth snapshot of the most recent six-month period for which we have complete data, 1 September 2021 – 28 February 2022.

The Tracker shares what we know, in terms of events, damage incurred, and claims received. We have also included forecasting information based on insights from our meteorological team, and advice on how to prepare. Our intention is to update and share the Tracker every six months.

Events included are wildfires, floods, windstorms, hailstorms, and heavy rain, and while not strictly weather related, but extremely important to New Zealanders – earthquakes and volcanoes.

We look forward to sharing this information with you on a regular basis to help our communities be stronger, together.

Amanda Whiting,
Chief Executive IAG New Zealand

We make your world a safer place.

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Wellington, April 2017. The remnants of Cyclone Debbie brought down powerlines and caused land slips in Newtown, Wellington. Photo: NZME

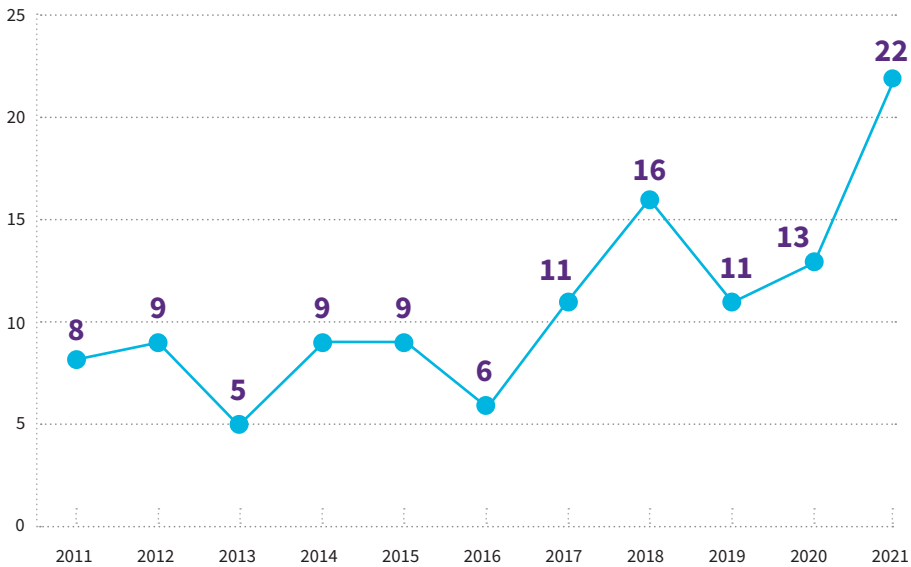
Storms are becoming more frequent and severe

Our claims data shows a clear upwards trend in wild weather over the past ten years, peaking in 2021 with 22 events.

The number of storms remained relatively static between 2011 and 2016 but increased in frequency in the latter part of the decade, with heavy rain and storms making up the majority of weather-related claims between 2017 and 2021.*

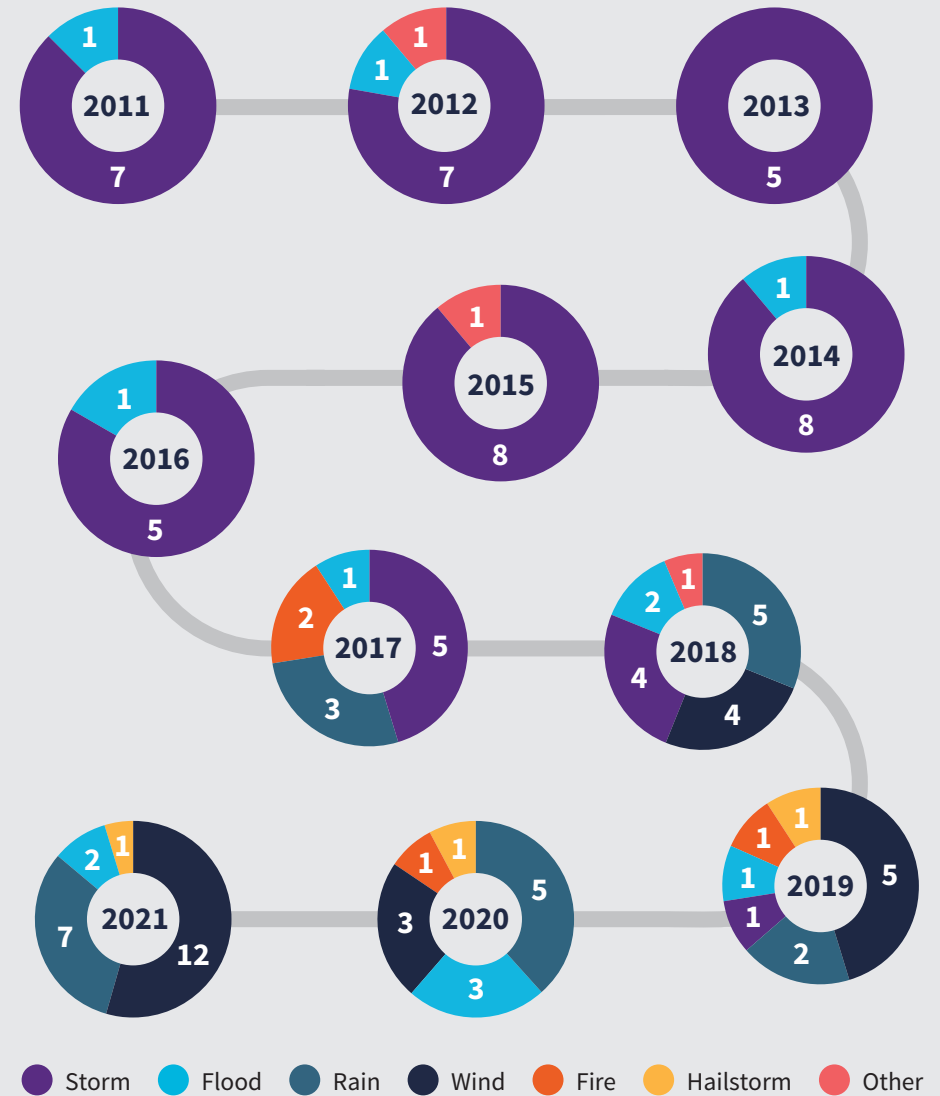
We also recorded eight earthquakes/volcanoes in 2011, two in 2013, three in 2016, and one in 2019.

Number of significant weather events



Please note: Earthquakes/volcanoes are not included in these numbers

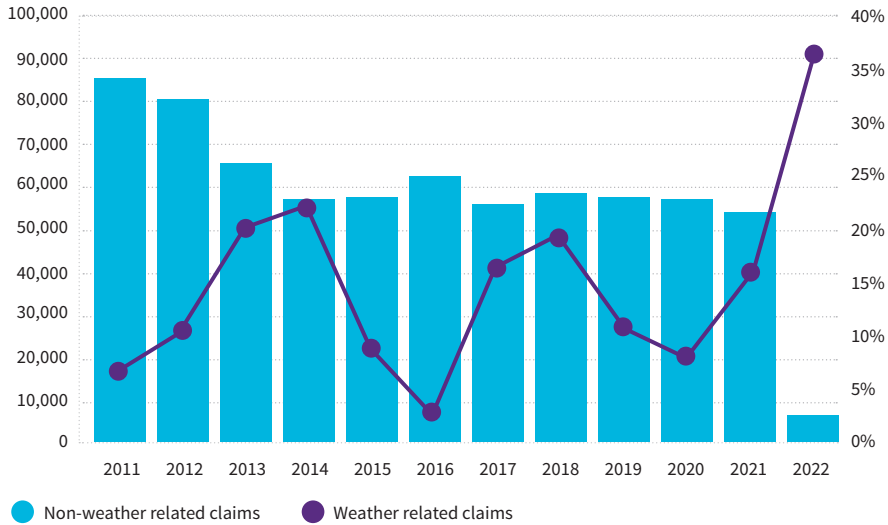
Types of significant weather events



*Please note that the way we record weather related claims has improved over the last 10 years. While not all of our findings can be attributed to climate change, the data gives a general indication of the frequency and impact of weather events on our customers and communities.

House claims: weather related vs non-weather related

Claims received under house policies as a result of wild weather is cyclic, but increasing.



Please note: earthquakes/volcanoes are not included in these numbers

The data in this report has been drawn from our weather codes, issued each time there is a significant and identifiable weather event. **Flood** refers to damage caused by severe rain or river overflow. **Hail** refers to a rainstorm that features hail stones. **Rain** is used for heavy rain that causes property damage, often from overflowing gutters for example. **Wind** describes high winds that cause property damage such as lifting rooves or debris/waste blown about. A **storm** is an event where there is a combination of these weather features, or when historically the weather features weren't recorded separately.

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Auckland, February 2022. Cyclone Dovi caused widespread damage across Auckland. Photo: NZME

Timaru hailstorm



In November 2019, a severe hailstorm hit the southern Canterbury town of Timaru and nearby coastal areas. While the storm lasted only 10 minutes, some of the hailstones were the size of golf balls and therefore caused significant damage.

From just that 10-minute storm, we received 13,315 claims from our customers. Most of the claims related to motor vehicles, but property was also affected, with items such as gutters, roofs, glasshouses, skylights and outdoor furniture severely damaged.

This event was completely out of the ordinary for the Timaru community. **Historically, there has been no other hailstorm of this magnitude captured on record in New Zealand** – and we adapted the way we responded. One initiative was to offer extended settlements for some customers. This meant that even though a car may have been written off as a total loss, if it remained safe and legal to drive, people were able to continue driving it until they'd purchased a replacement with the funds from their insurance settlement. As many of our customers were affected by huge demand for replacement cars, and long wait times for overwhelmed local repairers, this meant they were still able to get around during the busy Christmas and summer period while they waited for their cars to be repaired or replaced.

We also brought in offshore specialist repairers to perform paint-less dent removal. This technique meant that cosmetic dents could be removed gently without damaging paint. The service could be completed in just a few days once cars were in the workshop, substantially speeding up the repair process for customers.

Across AMI, State and NZI, we received 13,315 claims for this storm, with total costs of around \$110 million.

13,315 total claims



8,457

motor vehicle claims
(personal and commercial)



4,121

home claims



336

contents claims



388

other commercial claims



13

other claims (eg boat)

Claim costs:
\$110M+

These numbers are for Timaru and other affected regions nearby.





Second-warmest spring on record, Canterbury bears brunt of storms

Between September 2021 and February 2022^[1], we recorded ten major storms: four rainstorms and six windstorms including ex-tropical cyclone Dovi. This resulted in 8,293 claims from our customers, an increase of 32% compared to the same period last year.

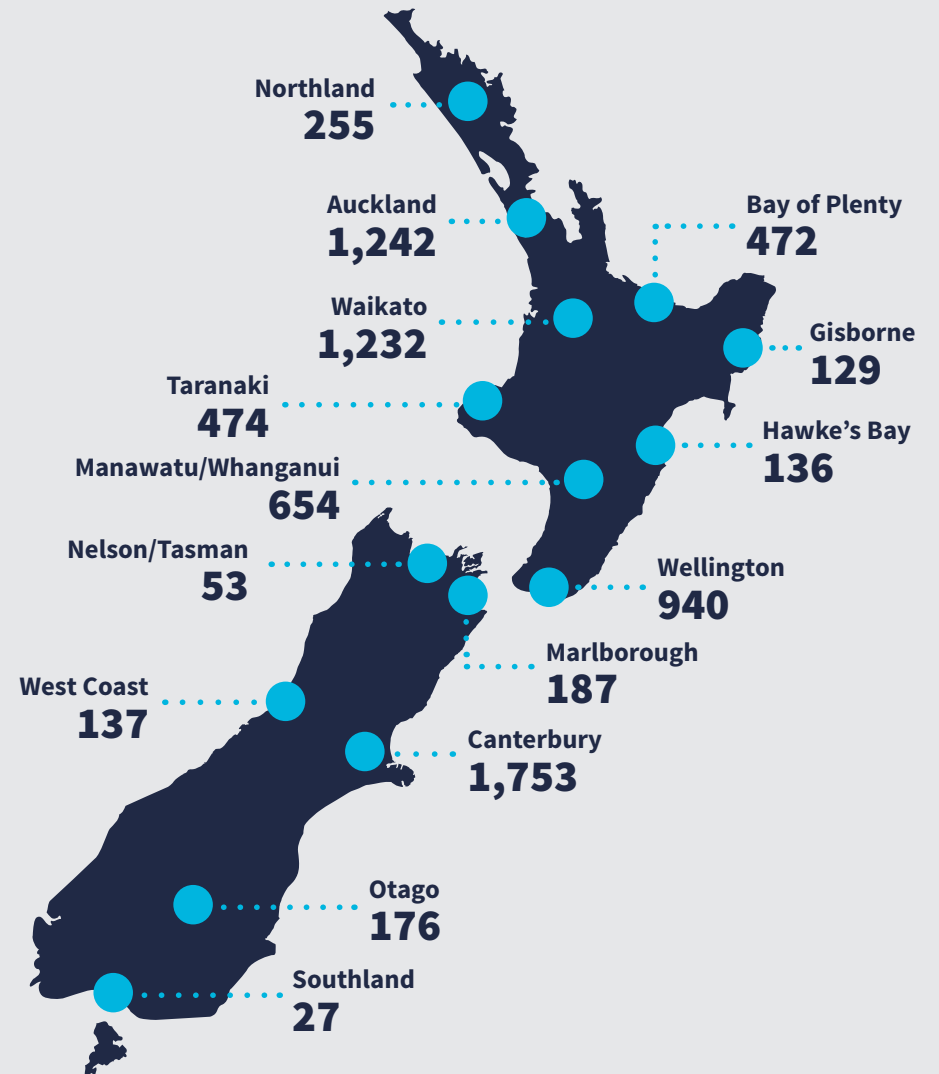
NIWA reports that spring 2021 was the second warmest spring on record in New Zealand, with above normal rainfall (120-149% of normal) impacting Northland, Auckland, Gisborne, Hawke's Bay, Tasman and Otago. La Nina conditions brought frequent warm and humid weather, contributing to New Zealand's fifth warmest October and warmest November on record. A state of emergency was declared in Gisborne due to heavy rain in November 2021.^[2]

In terms of property damage, the Canterbury region made up 21% of all weather claims, with Auckland following at 15%, equal with the Waikato. House claims were the most common claim type, at 62%.

Top photo: Canterbury, May 2021. Heavy rain led to widespread flooding across Canterbury. Photo: NZME

[1] 1 September 2021 – 28 February 2022
[2] NIWA: <https://niwa.co.nz/climate/summaries/seasonal/spring-2021>

Claims received per region



Six-month weather snapshot

Insurance policies

House policies made up the vast majority of weather-related claims between September 2021 and February 2022.



House **62%**



Contents **16%**



Commercial **13%**



Motor vehicle **8%**



Other (eg boat) **0.25%**

Claims per event type



Wind

3,902



Rain

1,973



Storm

1,046



Flood

476



Hailstorm

26



Fire

5



Other

865



Auckland, August 2021. Kumeu experienced 149% of its usual August rainfall in just 14 hours. Photo: NZME

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Lake Ōhau



The beautiful Lake Ōhau Alpine Village in Canterbury was the site of a damaging wildfire in October 2020.

The early morning fire, which came down through the hills surrounding the village, destroyed most of the houses and burned through more than 5,000 hectares of neighbouring land.

Gaining access to the village after the fire was challenging, but we worked closely with the District Council to gain entry as soon as it was safe, so we could begin assessing damage. With little alternative accommodation for permanent residents in the area, it was important to work quickly, so rebuilding work could begin as soon as possible. To assist with this, we established a specialised claims team to handle all matters related to the fire, which meant these customers' claims could be fast-tracked.

Many property owners were not in residence, which meant that often, we were their eyes on the ground, and communication was vital.

Across NZI, AMI and State, we received 106 claims at an approximate cost of \$15 million.

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106 total claims



13

motor vehicle claims



39

home claims



50

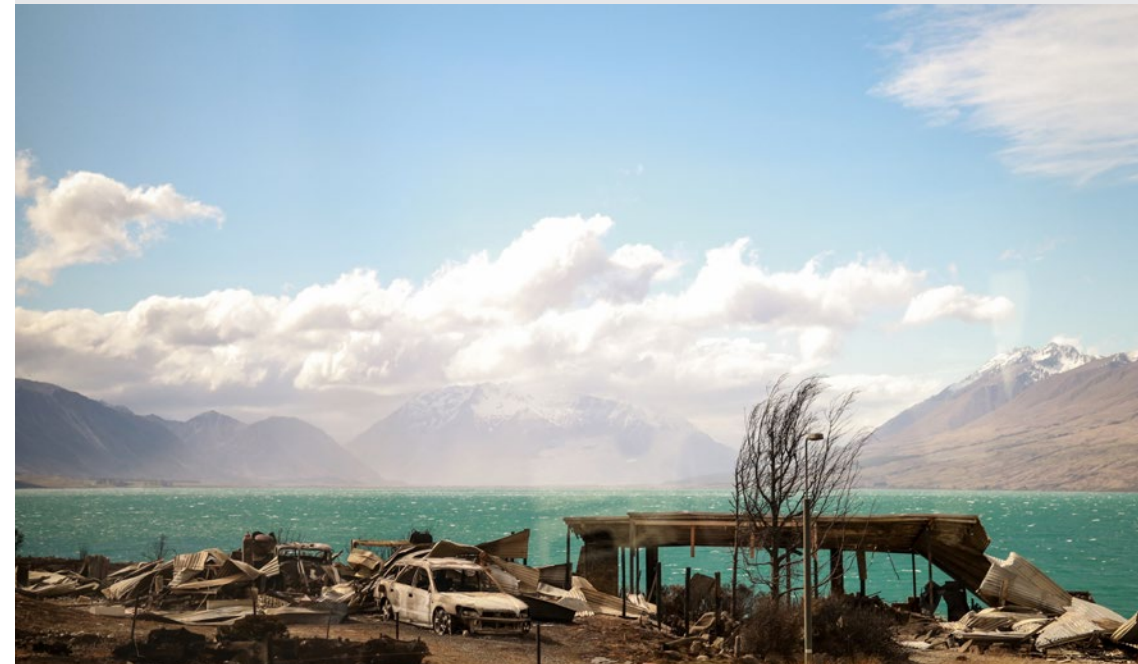
contents claims



4

other claims
(eg boat)

Claim costs: \$15M+



Lake Ōhau, October 2020. High winds made firefighting difficult during the Lake Ōhau fire. Photo: NZME

Warmer and drier than normal, with bursts of heavy rain

Keeping a very close eye on weather patterns is in our DNA.

Our Principal Research Analyst for Climate and Natural Perils, Dr Bruce Buckley, says the autumn and winter outlook for much of New Zealand is for warmer and drier than normal conditions.

“We are expecting a drier than normal autumn for the South Island. The south western half of the North Island will also be drier initially, before moving to normal weather conditions in mid-late autumn and winter.

“It’s also likely that these dry periods will last for longer, but to be broken up by heavy rain lasting several days at a time, especially in the North Island. This is largely due to warmer ocean temperatures, which mean hotter temperatures on land, and more potential for thunderstorms and heavy rain.

“Overall, temperatures across the country will be warmer than normal, particularly along the west coast, Nelson and Marlborough regions, and central and western parts of the North Island. For farmers, warmer water temperatures mean more humidity, which tends to reduce the risk of frost.”



“The autumn and winter outlook for much of New Zealand is for warmer and drier than normal conditions.” – **Dr Bruce Buckley**

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.

Westport flood



Over three days in July 2021, a storm dumped more than 690mm of rain on the West Coast. Such a significant amount of rain in such a short space of time proved too much for Westport, a small, coastal community perched between two rivers.

Flood water inundated the town – in some areas, water came up past the windows of people’s houses – and homes, possessions, and vehicles were severely damaged.

Westport locals are resilient, but we knew that with an unprecedented event like this, we needed to go above and beyond our usual support measures. Many people were left without access to landlines or internet, so one of the first things we did was set up a pop-up Insurance Hub where our customers could speak to our team face to face. While the situation was challenging due to the town’s location, the size of the storm and ongoing COVID-19 restrictions, our team members worked hard to support customers with their claims as well as helping find temporary accommodation.

The Hub also acted as a base for our team of assessors who travelled to Westport to assist with the clean-up and gather the information we needed to process claims as quickly as possible. Our team saw first-hand the havoc the flooding had wreaked on the community and the lives of the people who were affected.



Westport, July 2021. Many residents were left stranded after the July storm. Photo: NZME

At the time, the flood was referred to as a one in 100-year event – the rivers last reached similar levels in 1926. But as our climate becomes more volatile, Westport has had to deal with the threat of flooding more and more often. In February 2022, the town was evacuated twice within a week due to extensive rainfall. We will cover that event in more detail in our next Wild Weather Tracker.

For Westport alone, AMI, State and NZI received 1,236 claims. For the same storm, we also received a further 1,775 claims from other affected regions, with a combined cost of around \$80 million.

1,236 total claims



276

motor vehicle claims



491

home claims



434

contents claims



35

commercial claims

These claim numbers relate to Westport only. This storm also impacted neighbouring regions, with an additional 1,775 claims from our customers.

Claim costs: \$80M+ (All regions affected)

Westport, July 2021. Large-scale storms are devastating to communities. Photo: NZME

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.

The best thing we can all do to help reduce the damaging impacts of climate change is to reduce carbon emissions. At IAG, we're aiming to be net zero by 2050.

There is a role for every New Zealander to play when it comes to emissions reduction. Have a think about your household's carbon footprint and what changes you could make to the way you travel, what you consume and how you use energy, that would help reduce your emissions.



Westport, February 2022. Some Westport residents were evacuated twice within weeks, as the town faced several bouts of wild weather in February 2022. Photo: NZME

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.



Westport, July 2021. A resident leaves her home after the flood. Photo: NZME

Resources and contacts

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 latest climate change poll

Since 2018, IAG has been asking New Zealanders about their attitudes towards climate change and how the country should adapt. In our fourth survey, we looked more closely at peoples' expectations of business and the vexed question of who pays, particularly when people upgrade their home or move when the risks they face are too great. Watch out for our fifth climate survey results in the middle of this year.

<https://www.iag.co.nz/latest-news/articles/climate-poll-2021.html>

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>

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/>

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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