

What does flood hazard mean for my property and premiums?

How insurers set premiums

When you renew or take out property insurance, your premium isn't based on just one thing. Insurers use their own models to consider a mix of factors about your home and your circumstances. Your flood risk is a factor, but not a major one.

What insurers look at

When setting premiums, insurers weigh up a combination of things about your home and your history. These vary from property to property, which is why two houses on the same street can have different premiums:



Building value and replacement costs: how much it would take to repair or rebuild



Age and materials: older homes or certain materials may carry higher risk



Claims history: whether you've made claims before



Location and neighbourhood: proximity to services, local hazards, and other area factors



Storm and bushfire risk: exposure to severe weather events



Flood risk: one part of the overall picture, but usually not the biggest

When flood information helps

Updated flood maps can be used to potentially work in your favour. If your property is shown to be low risk, or if your floor level is above the expected flood level, this information may support lower premiums.

Knowing your flood hazard classification gives you evidence you can share with your insurer. It won't set your premium on its own, but it can help explain your property's situation clearly, ask better questions, and check you've got the right cover.

How you can use your classification

Updated flood information isn't just about highlighting risk. It can also help you protect your home and manage insurance costs. Knowing your hazard classification gives you the confidence to ask the right questions and take practical steps.

If your property is shown as **low risk**, that may support lower premiums. If your home's **floor level sits above the expected flood level**, that can reduce your risk as well. Sharing evidence like this with insurers helps keep costs fair.

You can use your hazard classification to:

- Check your cover and make sure it reflects your real situation.
- Compare insurers and look closely at the details of each policy.
- Ask questions and don't be afraid to negotiate.

Talking to your insurer

Your flood hazard classification is only one part of the picture. Insurers may also want to know what you've done to reduce risk at your home. Here are some examples of what you can discuss:



Improved drainage – show how you've upgraded gutters, downpipes, or yard drainage to keep water moving away from your home.



Resistant materials – point out where you've used water-resistant flooring, wall linings, or other materials that limit damage.



Well maintained – highlight regular upkeep, like clearing gutters, repairing roofs, or sealing gaps.



Council upgrades – share information about flood mitigation works in your area, such as improved drains or levees.



Prepared for floods – mention your household flood plan, sandbags, or other measures that reduce potential damage.

The Victorian Government's **"Are You Covered?"** campaign will provide extra guidance on comparing insurers and navigating the claims process. The more you know, the stronger your position

Identifying risk not creating it

Flood maps and models show us how water could move through streets, blocks, and neighbourhoods. They reveal things we can't see just by looking at the land where water might pool, how fast it could flow, and which areas could become cut off.

From models to action

This information is valuable for everyone:

- Councils use it to guide planning decisions and make sure new developments are safer in the future.
- Emergency services use it to prepare for how floods might affect access and safety during a storm.
- Households can see how their property fits into the wider floodplain and understand what flooding might mean for their home.

Flood models are not drivers of insurance costs they are tools that turn uncertainty into knowledge. The clearer the picture we have, the better we can prepare as a community.

Contact us

We're measuring our engagement. To help us track our communications, please contact our team by phone **131 722** or email enquiry@melbournewater.com.au