



News

Flooding in Northern Queensland, Australia – February 2019

Severe rainfall concentrated in an area around the city of Townsville in northern Queensland, Australia has resulted in flash flooding affecting urban areas and agricultural lands. The convergence of an active monsoon trough with southerly winds has caused a static low-pressure area drawing in moist air from the tropics resulting in thunderstorms with heavy precipitation in the area. The slow-moving nature of the monsoon trough has caused concentrated rainfall in the region with the level of precipitation within 10 days exceeding average annual levels.

The heavy rainfall has caused the region of Townsville being declared a catastrophe area with large parts of the city being flooded with thousands of homes becoming inundated. Although the region is susceptible to tropical cyclones, the magnitude of precipitation in such a short period in this area is considered a very rare occurrence.

Flood damage is generally covered under the standard policy definition with an approximately 94 per cent of nationwide home building and contents' policies purchased including insurance coverage against flood damage. As of last Sunday, according to the Insurance Council of Australia (ICA), insurers have received 13'560 claims from the catastrophe struck area amounting to AUD 165 million (approx. USD 117 million) with the ICA expecting the number of claims to increase over time as homeowners are expected to return to their property. It is estimated that insurance claims could increase to approximately AUD 300 million (approx. USD 213 million).

Based on the current information and the estimated insured losses the portfolio manager does not expect a noticeable impact on the performance of CSA ILS/ CSA ILS Fixed from this event on a standalone basis.

Please do not hesitate to contact us if you have any questions.

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